

HR

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YOU CAN'T PUT IN WHAT GOD LEFT OUT – Part 1

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Not everyone can be a strategic HR business partner

In recent years the Ulrich three-box HR model (shared services, centres of excellence and HR business partners) has become the standard delivery model for HR. It is a fundamentally sound model and has taken HR forward, but in our research we have found a big gap between intention and reality, especially in the role of HR business partners. Why is this?

Historically, a lot of HR work has been about delivering processes to the business, administering payroll, keeping out of tribunals, writing terms and conditions etc, so HR has attracted people with the requisite skills and mindset. The HR business partner role is very different. It's about delivering innovative ways of developing organisational and people capability, building on deep, data-driven insights into the strategic and commercial direction of the business. This requires a different level of thinking as the complexity and degree of ambiguity inherent in the role, and in the environment, in which organisations are operating has increased exponentially.

In some cases the issue has been that no one has actually articulated to the newly rebadged business partners how the role is different or what new level it is operating at. In others, no one has helped those with whom they are partnering to understand what is on offer and how it differs from the past. In many cases, however, there has been a failure to understand the business partner role and how it differs from the old HR model and to then match this to existing HR capability. The simple fact is that the 'ask' has risen faster than the capability of many people in HR to deliver it. As a result, many HR business partners have been unable to deliver what is required in the role or have dumbbed the role down to a level they are comfortable with but which doesn't deliver what is required by the business.

One of the causal factors has been that as organisational structures become leaner and ever more matrixed, partner roles become the knot in the bow tie, where they are pivotal in ensuring the whole model functions effectively. Nowhere has this been more prevalent than in HR. This means that it becomes vital that you have a 'big enough' person in the role, which often isn't the case because they are the same person as before the organisational change.

Elliott Jaques, one of the gurus of organisational psychology, identified the challenge that lies behind this problem. In his research (1997) he identified seven levels of work complexity, each defined by increasing ambiguity, longer time frames for decision-making success and greater delivery breadth. He also identified that people can only engage with complexity up to a level related to their intellectual capability to understand it. As Sam Mussabini said to Harold Abrahams in the film *Chariots of Fire*, 'You can't put in what God left out.' The essential problem with HR business partnering is that in many cases we are asking level 3 capability people to do work at level 4. The issue isn't about developing them, the issue is that they are simply incapable of operating at the right level either at that time, or potentially at all during the span of their natural careers.

In our most recent research we asked what CEOs look for from their HR Directors, and one of the questions we asked was why they had sacked their HRDs. Three issues came out. One was a lack of integrity, which was the most consistent and most important insight from the whole research. The second was 'great talk but no delivery'. The third was that they either weren't up to the role or had outgrown it:

'When we started we employed an HR admin lady who made sure the payroll worked, but we outgrew her.'

'It was a function of the agenda. The individual didn't have the capability to step up again.'

'We had taken the game up a notch. We had someone who was successful in the old agenda but not in the new. I would give them a reference. They weren't a failure; it depended what we wanted from them.'

'Intellect was the key. They didn't have the ability to make sure my thinking on strategy was matched to their deep knowledge of the capability to deliver it.'

'We are dealing with more complexity on a broader scale. Once we got six variables to think about versus four, they didn't have the capability to think at that level on a broader scale.'

In each case they didn't blame the person. They were good at what they were good at but the role required them to be good at a different level.

In these quotes lies the answer to the conundrum. We shouldn't ask people to operate at a level they simply can't operate at. We need to help people be the best they can be, not try to get everyone to be something they can't be.

This has several implications.

Fit the person to the role

Not all HR business partner roles need to operate at a strategic board level. Not all HR business partner roles are the same, so match your level 4 people to level 4 roles and level 3 to level 3. If you have too many roles at the highest levels compared to people who can operate there, match the best people to the roles that have the biggest impact on the bottom line or on patient service or whatever the key value driver is.

A simple test is to list on a left-hand page the business units and how critical and material they are to creating value. On the right, list your HR business partners by their capability. Does the left-hand list match the right, do your best business partners face off to the most critical business areas? One final point here is don't just build the list on current returns, build it on future growth opportunities as well. It may be that you want to match your best HR business partner to the smaller but higher potential and therefore more strategically (critical growth opportunities rather than to a larger cash cow.)

There is a strong organisational design driver here because level 4 is the point at which you have the biggest mismatch between roles featuring work at that complexity level and the natural incidence of people in the population with the ability to work at that level. This is not an isolated issue within HR, but is true of many roles in many functions. HR just sees it more frequently because, I would argue, the ratio of role-complexity increase to individual development has been higher than other functions in recent years.

Be clear what you are recruiting for

This isn't just about a competency framework, it's about being realistic about the level you are asking people to operate at. It has become unfashionable to use tests of verbal and numeric reasoning skills but perhaps we should look at more sophisticated and rigorous ways of assessing what level a person can operate at. We are letting our people and the business down if we recruit people to do a job they simply can't do. Levels of work suggest that by far the best predictor of success in higher complexity roles is judgement – but this is rarely assessed.

Match your development spend to what is actually developable

It is very difficult to send someone on a programme that develops their intellectual capability or their systemic thinking ability. But these capabilities can be more swiftly developed through a broader career-pathing approach

that tries to develop perspective (e.g. across different functions) and hence, judgement. But this takes time and our research shows that this kind of development is the least often used by HR.

Equally, there are some key hard skills that can be developed, such as understanding the business strategy and where value is created, data-driven insight development and so on. We should focus our HR development spend in these areas. What is disturbing is where HR people tend to focus their development on HR-related rather than on business-related areas:

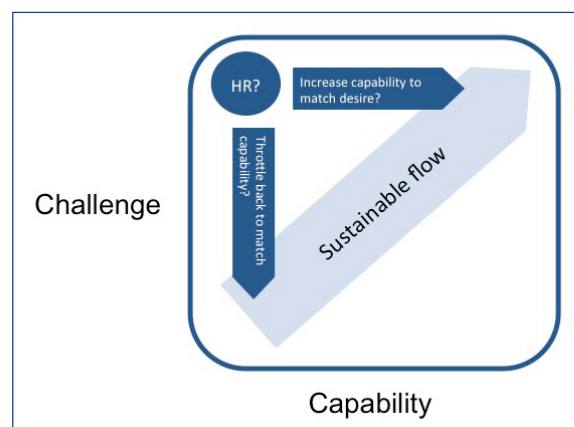
'And here's one more slice of telling SHRM data: when HR professionals were asked about the worth of various academic courses toward a "successful career in HR", 83% said that classes in interpersonal communications skills had "extremely high value". Employment law and business ethics followed, at 71% and 66% respectively. Where was change management? At 35%. Strategic management? 32%. Finance? Um, that was just 2%.'

(Hammonds, 2005)

It also might be that you don't develop all these skills in every business partner or even within HR. As an example, not everyone needs to be a data scientist but everyone needs to be comfortable with data. It might be that you access the deep data analytical skills from elsewhere in the business or from contractors who work closely with your HR business partners, but your HR business partners must recognise the value issue-driven data analytics will bring to HR.

Be willing to 'throttle back' the promise

In a desire to be seen to be responsive and relevant, there is a danger we over-promise and under-deliver. Perhaps we need to be willing to promise a bit less and deliver a little bit more, or to deliver where it is most critical rather than trying to do it everywhere. Many people will say, 'but that will impact our short term credibility'. Isn't it better to be rigorous about assessing the real capability of the HR function and our HR business partners and to match what we promise to the business to what we can actually deliver? Perhaps a dash of realism and humility might serve us better in the long term. As a previous boss once said to me, 'The longest route is often the quickest way to get somewhere'.



(based on Csikszentmihályi, 1997)

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Nick has a unique background including army officer experience, ten years as a successful futures and foreign exchange broker with Merrill Lynch and sixteen years in senior organisational, leadership and people development roles in large global organisations. This extensive commercial experience and customer focus provides a strong link between organisational change and bottom line performance improvement.

Nick has created and managed large scale organisational change, leadership and people development programmes and performance and talent management processes and systems but his real expertise lies in embedding them in day-to-day operations.

Nick is a visiting Professor and has been Director of The Henley Centre for HR Excellence for nine years. His recent research includes employee engagement, HR and big data, HR careers, HR in the recession and recovery, HR leadership, HR organisational models, leadership development, performance management, talent management and what CEOs want from HR.

The Henley Centre for HR Excellence

The Henley Centre for HR Excellence is a group of leading national and international organisations that share a common interest in achieving excellence in HR. It is led by highly experienced practitioners with outstanding records in taking a pragmatic, results-driven approach to organisational development. The Centre has been operating since 2005 and has built a strong reputation, both for thought leadership in the HR arena and for supporting the development of HR functions and individuals.

The Centre operates on a corporate membership basis and offers a wide range of activities. These include: applied research carried out twice a year, events on topics chosen by the Centre's members, open programmes that focus on specific capability areas in more depth, bespoke customer solutions using practical and pragmatic ways to upskill HR teams and deliver change within organisations, and networking and community benefits.

To find out more about the HR Centre of Excellence and the topic please contact Nick Holley
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