



HR business partners: yes please or no thanks?

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In 2007 when, on behalf of CIPD, we asked over 780 organisations whether they had HR business partners, just less than half said they did; a proportion that rose considerably with the size of the organisation. Given the plethora of conferences and articles on business partners since then, one might suspect that the number in such roles keeps going up. You do not need to have the so-called Ulrich model to have HR people deployed in business units, even if it is one leg of the three-legged stool structural model.

The idea of having business partners is unsurprisingly popular because of the advantages it brings. In that CIPD survey, we found it helped:

- HR become a more strategic contributor
- increase its business focus
- encourage greater line engagement with people management
- put people management issues higher on the agenda
- improve the credibility of the function.

These benefits are bound up with HR's functional transformation and repositioning. The function has wanted to add more organisational value over recent years, such that it is seen as a key contributor to the business: a performance-maximising asset not simply an overhead cost. This means it has to be relevant to the organisation at a level beyond administrative efficiency; it has to offer a strategic contribution. HR business partners are central to achieving this ambition because they should be integral to the running of business units, partners in delivering organisational success through ensuring that the right people resources are in place and that employees work to their full potential.

CIPD survey respondents described the progress made:

'HR used to come in at the end and pick up HR issues. Now the function is driving strategic projects' or 'Business partners are now wanted at partner meetings'.

However, the concept is not without its problems. Again, our survey for CIPD identified some of these:

- Business partners get drawn into 'wrong' activities – usually lower-level tasks than they should, given their role (and pay grade).
- A tension arises between responding to corporate and business unit needs (often manifested by business partners 'going native' as they pursue parochial objectives at what the corporate centre regards as the expense of the whole organisation).
- Difficulties are apparent in finding staff of the right calibre.
- The failure of those in the role to be strategic (rather than operational in their contribution).

These challenges centre on the difficulties staff face in delivering the goal of higher value-added HR either because of their own failings or because of an unsatisfactory partnership with business unit leaders. As respondents in the CIPD survey put it:

'Managers do not understand the role that business partners can play' or 'business partners end up doing operational work because line managers ask them' or 'business partners do not know what camp they sit in'.

Most organisations should be able to overcome most, if not all, of these challenges through greater role clarity, especially between local and corporate HR defining their respective responsibilities, and between the business partners and line management defining the (strategic) content of their work. The business partners themselves can skill up, learn more about the business and shift towards fixing business (not HR) problems. They can arm themselves with accurate data and diagnostic capability to shine a light on unresolved and risky people management issues, facilitating managers' workforce interventions. They can position themselves as a coach to senior managers, able to act as critical friend, but also able to argue their corner on the people consequences of poor management practice. And so on.

Yet some HR directors have concluded that business partners are a luxury that they cannot afford: that the problems they have cannot be addressed. This is particularly evident in the public sector where cost pressures are especially severe. There are examples too in the private sector where the role has been somewhat rethought and the numbers of business partners reduced. So how have these organisations reached these conclusions?

There are several different strands to the argument. The first is essentially that business partners are merely old wine in expensive new bottles. As the saying goes,

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they were HR advisers on the Friday and business partners on the Monday. This accusation is less true than it was but the central point could still be valid that we may have done insufficient to restructure the role, convince customers of its value and recruit to it those with the necessary skills to do it well.

A second related point is that there is not enough demand for strategic work. This might be because the business units are themselves pretty operational in nature – the big, strategic decisions are taken at the corporate centre. Or, it might be because managers do not know what strategic HR looks like, cannot conceive of HR adding value beyond the transactional and so neither press for that sort of contribution nor welcome it being thrust upon them.

A third angle is that the vast bulk of non-administrative HR effort goes into individual case work or collective engagement where trade unions are strong. There is less activity in talent management, workforce planning or organisational development. This may not be ‘right’ from an HR perspective, but some HR directors have to face the facts on the ground and respond to the pressures that they have got. The result is that business partners don’t really do strategic HR work; their activities are dumbed down to case management and thus appear to be poor value-for-money. As one HR director acidly put it to me:

‘Business partners promise the earth because they leave someone else to deliver’.

In other words, they are expensive ‘middlemen’, brokering services but the execution of such requests sits outside their remit or capability.

Probably fewer organisations recognise early on that they do not really have the skills internally or cannot successfully hire in the necessary competence at a price they can afford to pay, and so do not experiment with the business partner idea. More try out who they have got (or can get) and see!

This discussion returns us to two of the important debates in HR transformation, namely how effective is the new service delivery model (especially with respect to the interface with line management) and how well is HR meeting the challenge of developing its capability to match up to its promise of offering a strategic contribution.

Those organisations with the Ulrich model or some version of it, may find that it is imperative to manage effectively the boundaries between the structural legs; centres of expertise, shared services, business partners and corporate centre. As we have argued elsewhere, fragmentation is a real danger when you separate out the transactional activities from the so-called transformational. The risk for business partners is that they become the butt of criticism for all the ills of the function even though they may have no involvement in them, no responsibility for them and certainly no accountability for their performance. As we discovered when facilitating a line customer/business partner discussion in one public sector organisation, we had

to ban complaints about the failings of the HR information system because they were hijacking the agenda of the meeting.

This is a problem that can be addressed again through clear role specification, improved intra-functional communication and better co-working, but the interface with line managers is altogether trickier to get right. Central to the new conception of strategic HR is that it would exit much of its operational work to free up time to attend to the 'higher value' tasks. The expectation was that managers would become more self-reliant in recruitment, training and case management. HR might provide frameworks and guidance but managers would make their own decisions. It is questionable whether this is happening as expected. Certainly, in 2007 three-quarters of the CIPD survey respondents felt frustrated at the pace of this 'devolution' of responsibility.

Managers themselves have reported that they feel 'dumped on' in the transfer of tasks (including those to be performed through self-service operations) from HR. Regarding case management there is some agreement that managers lack the time and skills to do all that is asked of them. However, whether there is enough support or training for them is more in doubt. Certainly, the effects of this withdrawal of HR are evident. The Chair of ACAS, Sir Brendan Barber, told a recent Eversheds conference that the conciliation service was increasingly seeing managers dealing with individual disputes without the previously expected HR participation.

It is unlikely that we will suddenly develop a generation of excellent people managers so the tension between the fully justified aim of greater managerial self-reliance and the reluctance of managers to take up the baton is likely to continue. Chief Executive Officers and HR Directors may vary in siding with one position or another depending on pressure points and cost. In particular, CEOs are all in favour of cheaper 'overheads' and happy to sign up to managers taking responsibility until they see the build-up of grievances and Employment Tribunal claims.

What we probably need instead is better internal dialogue between stakeholders on what the optimum balance might be between HR's role and line managers' responsibilities. HR for its part needs to consider its structure in the light of this debate and conclude whether it wants:

- Pure business partners as solo operators working with a strict task definition on strategy and change, and such things as talent management and workforce planning, reporting to the business unit heads and co-located with them. They would be accountable solely for their own contribution.

or

- A business partnering team with a broad remit of responsibilities, including doing a lot of operational work. They would be accountable for the HR service to the business unit, reporting in to HR.

Of course there can be hybrids sitting between these positions. Yet the reason for describing such contrasting options is to suggest that, whilst organisations have to decide whether business partners are worth the investment, they also have to settle on their conception of the role and make sure it fits business needs, manager requirements and their own staff capability. If this critical thinking is not done there is the probability of continuing customer and colleague frustration and frequent questioning of the value of the role.

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To find out more about the ideas in this article or how IES can help, please contact:

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IES Workshop: HR Business Partners

16 July 2015, London

This event will ask when and where HR business partners really add value to the business and how you can ensure that they will flourish. But we will also examine the rationale for those organisations that have decided business partners are an expensive luxury they cannot afford. The workshop will highlight orgs that have taken different approaches.

To find out more and book a place visit www.employment-studies.co.uk/events

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