

Virtual Working Group: Impact of the Changing Work Environment on the HRBP Role and Capabilities

November 2020

While COVID-19 regularly gets the lion's share of attention, the pandemic has been one of many changes to the work environment for CAHRS companies this year. Natural disasters, fake news, protests, and deeper societal divides have also affected our companies and employees. This has required that HR also adjust its support, and nowhere is this evolving more than the HR Business Partner (HRBP) role. To help partner companies think through these challenges and to learn from one another, Beth Flynn-Ferry, Executive Director of CAHRS, hosted a virtual working group to explore how CAHRS companies are addressing the challenges of providing HRBP support during tumultuous times. Below is a summary of the key themes and best practices from the working groups.

Participating Companies

Avangrid
Bloomberg
HP
IKEA

Key Takeaways

1. Since the pandemic started, HRBPs from most companies are required to engage more in an empathetic- and flexibility-driven HR approach rather than a data- and performance-driven HR approach. It is critical to strike the right balance between these two approaches.
2. As a result of shifting to remote work, HRBPs are having difficulty staying connected with the employees. Intentional frequent and informal conversations and using technologies can be helpful for HRBPs to build and maintain relationships with the employees.
3. In most companies, diversity, equity and inclusion (DE&I) has gained much more importance in 2020. In contrast to the traditional notion of DE&I, considered as a function of the center of expertise (COE), HRBPs are taking a greater role in initiatives to bring employees together and help each other.
4. HRBPs are burdened with additional roles and responsibilities regarding increased coaching and advising for business leaders and employees and more day-to-day operational issues. This has led to more HR Generalist (HRG) work versus the strategic business partner work. The HR for HR role is more critical than ever to watch the needs of HR.



New Challenges Faced by HRBPs in Supporting the Business During Crisis

HRBPs of CAHRS companies who participated in this working group have experienced new challenges that are focused around the human side of human resources (HR) management. Until recently, before the pandemic started, the role of HR has been shifting towards a stronger business and data analytics orientation. However, the pandemic has required HRBPs to focus more on having empathy and compassion for employees and teaching leaders the same. Employees are experiencing problems that they have never experienced before, and HRBPs are required to be mindful and respectful of those issues and translate those to leadership. As a result, some companies are facing dilemmas between empathy-driven (or flexibility-oriented) HR and data-driven (or performance-driven) HR. Since neither a completely empathy- nor data-driven HR approach may be sustainable in the long term, it is important to find the right balance. COVID-19 has taught companies that both approaches may coexist. In practice, the focus on empathy/flexibility vs. data/performance depends much on the business leaders because the direction of HR at the business level reflects business leaders' mindsets about people. Given that the business leaders set the tone, and HRBPs are the conduit between the business and employees, HRBPs' role is to make sure that the right actions are being taken. However, it should not fall to the HRBPs to implement all the actions. In this sense, although HR functions are considered responsible for employees' engagement including emotional needs and mental well-being, business leaders should take the initiative as well. One way to facilitate this is through Key Performance Indicators (KPIs) and incentives. Business leaders may have people-related KPIs/incentives, and HRBPs may have business-related KPIs/incentives. Some companies have individual-, unit-, and corporate performance-based incentives, where the percentages are adjusted based on the individual's level or position within the organization (i.e., higher positions have a greater percentage of corporate incentives). Companies may want to relook at how they are incenting their employees to reflect the new demands.

Other Tips for HRBPs:

- Acknowledge that HR does not own the talent and cannot lead the talent initiative alone. Business leaders should also take ownership for human capital.
- It's important to build a credible relationship with the business leader right at the start of your working relationship. This will position you well for crises that arise later, not only with the leader him/herself but also with the employees who are following that leader.
- Coaching/empowering business leaders is much more effective if there is a credible relationship with the leader.



Remote Work and the Changing Role of HRBPs

As a result of shifting to remote work, some companies are putting more emphasis on outcome- rather than activity-based KPIs. In a remote work environment, it is difficult to track and measure the activities of employees (e.g., work hours). On the contrary, other companies are still maintaining activity-based KPIs or have not been able to follow-up with their regular business strategies since the pandemic has required them to plan and execute ad-hoc strategies to deal with current issues. In terms of KPIs for HR functions, some companies are focused on outcome measures such as retention, attrition, and recruitment performance, whereas other companies also consider activity (process) measures such as development status in a succession planning context. Another important agenda for HRBPs is to stay connected with the employees in a remote world. Building trust with employees may be easier in a face-to-face environment than a remote one. There could be some learnings from global organizations as they have been building relationships remotely before the pandemic started.

Other tips for HRBPs:

- Frequent, informal conversations may be more effective than formal meetings to stay connected with the employees.
 - Make sure that the conversation is just about the employee, not work (e.g., asking how their family is doing)
 - Even short conversations (e.g. less than 15 minutes) are helpful.
- Technologies (e.g., Slack) and employee pulse surveys can be useful to stay connected and identify issues that employees are experiencing.

Different or Enhanced Capabilities Required for HRBPs During Crisis

For most companies, DE&I has been an important topic in 2020 given the societal events. By putting DE&I actions in place, (e.g., recruiting a diverse workforce; developing minority groups; addressing racism in the workplace) companies demonstrate a sense of collaboration and show how much they care about employees. In times of crisis, bringing people together to encourage them to help each other may be more effective. These DE&I initiatives stem from both the COE-level and business-level. DE&I initiatives led by COEs are broader and external-based, whereas D&I initiatives led by HRBPs are more specific and internal-based. Traditionally, DE&I has been driven from the COE, but in 2020, it has been considered a major part of HRBPs' roles. Specifically, HRBPs are required to serve as a "DE&I challenger" for the business (e.g., pushing to hire and develop more female executives).

Another salient change that HRBPs are experiencing this year is about the dialogue with respect to mental health (e.g., depression). Before, talking about mental health issues has been considered taboo, but since the pandemic started, HRPBs are allowed and asked to engage in those conversations and to bring them to the business leaders. Relatedly, employees in many companies



are suffering from burnout and fatigue, which require HRBPs to engage in those issues and prevent them. These roles are added (as opposed to changing) to the previous roles of HRBPs, which require companies to take care of HRBPs as well. HRBPs may also experience burnout and fatigue, leading to reduced engagement and satisfaction.

HRBP Model in 2020

Figure 1.
Key Roles & Responsibilities of HRBPs



In terms of the HRBP model in 2020, the four key roles remain the same. Coaching & Advising has increased with the new challenges organizations are facing. Leaders are turning to HR to advise them in areas that have long been part of the focus of HR (DE&I, flexibility, empathy) but leaders are now ready to engage in. The Organizational Effectiveness role has also dialed up due to remote work and the increased importance of being the voice of both the employee and the business. Talent strategy continues to be important given business fluctuations due to the pandemic, reskilling or upskilling needed, etc. Leadership Development is the one area that lost some focus during the first 6 months of the pandemic but is starting to rise in importance again now.

One factor that may have surprised organizations is the gap that HRBPs have had to fill on the more tactical, day-to-day operations that a crisis presents. For instance, HRBPs have led solutions to new problems due to the pandemic (e.g. how to decide when to send an employee home due to symptoms, taxation and payroll issues for employees assigned to overseas locations due to the pandemic, etc.) that may have been considered a COE or HR Shared Service area of focus. Participants felt that these things are indicative of different and enhanced roles that HRBPs are facing and dealing with this year. As organizations move forward, the idea of SWAT- or fast-action teams should be reconsidered to fill unplanned needs such as these. Organizations should also diagnose what other unfilled needs were exposed by the multiple crises this year and establish a plan for the future.

This Summary Report was prepared by Beth Flynn-Ferry and Joon Young Kim participants of the Impact of the Changing Work Environment on the HRBP Role and Capabilities Virtual Working Group.

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