CAHRS Working Group—The Evolving Role of the HR Business Partner

November 18, 2015 — Houston, TX

On November 18, 2015, Steve Miranda and Beth Flynn-Ferry of Cornell facilitated a Working Group (WG) session focused on the Evolving Role of the HR Business Partner. The WG was hosted by Shell at its Houston, Texas location, and was attended by 19 individuals from nine CAHRS partner and guest companies. These included Ally, Caterpillar, Cigna, Dell, GE Oil & Gas, JPMorgan Chase, Merck, Shell, and Cornell University's ILR School.

Introduction

The group was welcomed by Steve Miranda and Beth Flynn-Ferry of Cornell and Scott Ballard of Shell. After introductions, the group began the day be reviewing six key areas that are hot trends/topics for HR Business Partners.

1. HR Analytics

There is a trend with cutting-edge companies to look at their people data the same way they look at marketing data. Almost all companies present had dedicated HR analytics teams. Some companies talked about the move from staffing those teams with HR experts to more analytics experts (data scientists, statistics specialists, etc.) The real challenge is making sure there are no gaps in the datasets and understanding what a real insight is.

2. Performance Management

There was a robust discussion on this topic. About half of the companies present were in the early stages (pilots or one year in) of moving to using no ratings in their systems. One CAHRS partner mentioned that this helps shift the focus from looking backwards at goals set in the past to the impact an individual can have today. Lots of discussion about the issues caused in downstream HR processes by not having a rating ensued, such as: compensation impact on merit/long-term incentives (LTI)/bonuses, how to make decisions for staffing/promotions and reduction in forces, etc. Several companies mentioned pegging raises to the external market to determine compensation going forward.

There was also agreement that the group that has the biggest struggle with the transition is HR – this has long been a process run and controlled by the function and it's difficult to shift all the trust and ownership to managers. Companies have different approaches to providing managers with information as they begin to own the processes: one gave no guidelines at all on how to distribute merit pay; one gives average data (average merit increase, average bonus, percentage no bonus, etc.) to help managers make informed decisions. HRBPs still need to stress the importance of differentiation in these new systems as high potentials (HIPOs) have expressed concern that they will not be rewarded justly. Some companies are keeping the 9 box for this reason and have added named awards of an additional 10 to 50% for HIPOs.

Feedback is a critical part of the no rating system and must be part of your company's culture to make this successful. Managers need to go back to basics on having conversations and providing timely feedback. This can take up more time than managers think. One company has seen an uptick in dealing with low performers earlier due to better feedback sooner and no need for gamesmanship by keeping those performers in the merit pool to help average out the dollars.

The other half of the companies present were sticking to traditional ratings in their systems. These companies tended to be in highly regulated industries or had concerns about how to manage the downstream impact of no ratings (merit, bonus, LTI, etc.).

3. Learning and Development

Most companies present use the 70/20/10 model for development (70% on the job/20% mentor/coach/10% formal development). For the 10%, most companies have moved to a mix of content delivery: classroom, virtual, mobile, gamification. Clearly there is a shift from classroom to virtual but some companies had employees express concern about less classroom: they liked being selected for special programs and peer networking. One company was concerned that virtual learning wasn't as impactful due to multi-tasking by the employees during training.

Leadership Development still mostly happens in classroom. One company talked about shifting its focus on giving high potential training on gaps for roles three years out to more in role development with peer cohorts.

Gamification is being used more for regulatory/compliance topics or for technical functions like engineering simulations, safety/emergency situations, etc. Millennials like learning in this format.

A few companies mentioned internal social learning taking hold (mostly blogs, internal Facebook-like networks/sites, etc.).

All companies present had moved away from any formal minimum number of hours requirement for training. Compliance and budgets were the constraints.

4. Knowledge Management

Transfer of knowledge continues to be a big concern for companies given the impending baby boomer retirements, smaller numbers of Gen Xers and Millennials not yet having experience needed to fill the gap. Some companies have implemented groups/communities that meet periodically to exchange information. Others use online tools that put instructions at your fingertips (i.e. GoBase). One company has partnered with Harvard on Knowledge Transfer using a 12 to 18 month process to produce knowledge maps. While this is a long, slow process, it is a necessary one to transfer the wisdom along with the knowledge.

5. Employee Health and Wellness

All companies present had some form of health and wellness programs in place. There was general consensus that these are received two ways by employees: those that gravitate towards it are usually already healthier; those that don't may try it for six months and then quit or feel that it's not the role of a company to manage this for employees.

Some companies are moving from traditional things like weight and exercise to focus on stress and resiliency which have broader appeal to employees. A couple of companies had different benefit rates for smokers versus non-smokers but a couple did not. Several companies had programs to support a culture of health – the most successful are employee driven, wellresourced and global.

6. The Changing Role of the HRBP

The companies attending the WG are in multiple stages of HR organization structures. Most had the three prongs of HRBP, Centers of Excellence (CoEs) and Shared Service (SS) groups. A couple of CAHRS members talked about the evolution to a fourth prong: in-country HR, which is more of the traditional generalist role with a hybrid of CoE/BP/SS supported in-country. For several companies, this move has been confusing to clients as they don't know whom to interact with when. When asked what percentage of their HR function is in HRBP roles: two companies indicated 10 to 15%, four companies 20 to 30% and two companies 33%. The role of the HRBP in the companies with 10 to 15% had evolved to more of an organizational effectiveness (OE)/ change management role. Care and maintenance of the employee and deep technical expertise is going away. These organizations' HRBPs are also at higher levels (Director, VP) and focus on that same level for their client populations. Other levels need to use the shared services organization as first point of contact.

One participant mentioned that he had a difficult time finding qualified HRBPs in the market. Suggestions were to hire a few grad students and put them right into role versus a development program, looking at graduates from other companies leadership programs and selectively adding senior level talent (although that takes time).

We discussed what key elements of Knowledge Transfer are for HRBPs. These elements included: what relationships are key, how information flows, how decisions are made, understanding the business, integrity, consulting skills, intangibles, leadership coaching and feedback, personal credibility and being able to speak truth to power.

Other Topics of Interest

Several other topics of interest to the CAHRS members present included:

Workplace Flexibility: What's trending in this area?

Traditional offerings still in vogue with most member companies: work from home, flexible hours, 9/80, etc. One company mentioned that working remotely can be career limiting due to lack of building relationships but has resulted in high retention. However, it is key to have work flex to attract great talent, especially Millennials.

One participant shared that his organization is fundamentally shifting from work at home to co-locate into teams; the cyber security element is real and gives global security pause, so the company is shifting back to centers. There have been too many silos and this will help with more teamwork and creativity.

There continues to be a need to educate managers on leading in today's world. Some mentioned that female leaders are more flexible than male. It's helpful to have a policy in place that emphasizes that managers make decisions not based on employee circumstances but on the employees demonstrating that they can do their job just as well remotely, and that it's about performance (not about hours worked or face time).

Technical Ladder—what are companies doing to help highly technical key engineering talent continue to grow?

One company has a formal procedure for truly deep technical people who interface with customers, etc. It involves 10% of the total engineering population and is handled through a nomination procedure. In the past, it was heavy mechanical and electrical but is now moving to the digital/technical sector. These jobs include Senior, Principal, Consulting, and Chief Consulting Engineer titles (a very small percentage).

Some companies give patent bonuses for patents approved. These individuals also receive special recognition such as Inventor of Year awards, Hall of Fame membership, dinner with CEO, etc.

This Summary Report was prepared by Beth Flynn-Ferry for use by participants of the Evolving Role of the HR Business Partner Working Group.

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