

HR & TALENT ADVISORY

HR Transformation: Getting it Right

By Michael Martin, Tom Friedrich, and Jennifer G. Wich

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Introduction

HR has been on a transformation journey for the better part of the past two decades. Changes in organizational structure, shared services, technology, and so on have brought HR forcefully into the 21st century—and it’s not always pretty. You may have asked yourself some of these questions:

- “We’ve introduced new technology; why are our customers so frustrated? Why aren’t our processes seamless?”
- “We introduced new expertise around staffing, or compensation, or analytics; why are we still fragmented and operating in silos? Why can’t we mobilize to identify and meet emerging needs?”
- “We introduced HR Business Partners; why aren’t they able to perform? Why are we still struggling to serve the business well?”

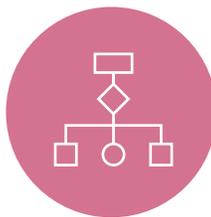
So we still have some opportunities in this transformation journey. What can we do to address these issues? What should we focus on next?

While the current three-pillar model that many HR organizations use today—Centers of Expertise, HR Business Partners, and HR Operations—is still relevant, organizations must tailor it more effectively to meet the goals of the organization. Rethinking HR transformation can help HR leaders diagnose and address challenges that prevent them from truly transforming.

Three areas HR must focus on to meet the evolving needs of the business:



Focus
HR Service Delivery
on the Customer



Create
a more Flexible
HR Service Model



Develop
HRBPs Into Business
Performance Consultants



Focus HR Service Delivery on the Customer

HR service delivery often is focused on HR’s own point of view rather than that of the customer. Regardless of whether the customer is a business leader, a line manager, or an employee, he or she wants a frictionless experience in dealing with HR—a simple, easy-to-access approach when receiving information and completing HR actions.

Customer-centric service delivery is all about keeping everyone’s interactions with HR simple, easy, intuitive, and insightful. Though it sounds natural, we’re finding that organizations are struggling with this very concept of simplicity.

For example, when we see a client with a multi-page job aid or processes driven by their technology’s shortcomings, it’s a big clue that something is broken. If a job aid is needed at all, it basically means that processes aren’t simple or intuitive enough.

Another example is when HR’s customers are confused about where to go for what, leaving them to guess at answers. Customers resort to this because they can’t get to the right experts to help them. With today’s multi-generational workforce, people need quick answers anytime and anywhere.

HR needs to rethink what great service delivery looks like. Under ideal circumstances, it should:

Be Relevant & Aligned



An organization’s HR philosophies, programs, policies and/or processes have to match what employees and managers want and need.

Framed Under an Integrated Global Infrastructure



HR infrastructure (by that we mean technology, HR operations, and how HR makes decisions and priorities) needs to be fully integrated globally. A unified platform supporting “one view” of the workforce is what the business so critically needs.

Interface Through an Intuitive HR Portal

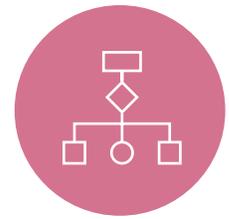


Accessing HR information and actions should be through portal technology that is personalized to the individual, has intuitive navigation, able to provide integrated content when needed, and can even anticipate upcoming events or needs.

Provide a Frictionless Customer Experience



Customer-centric service delivery is about creating that experience where the customer accesses HR information or actions in a simple fashion, just in time and the way they want it.

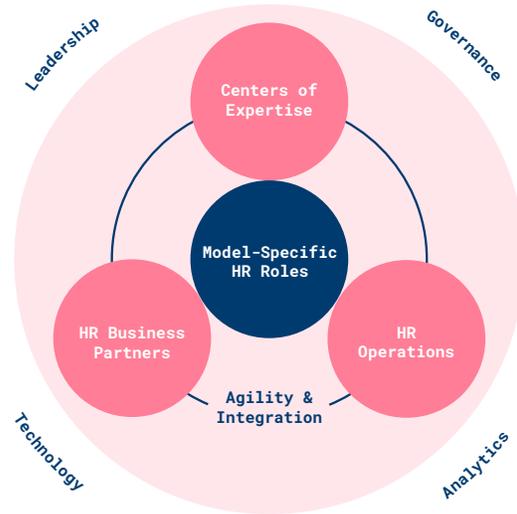


Create a More Flexible HR Service Model

HR-related expertise should be readily and easily deployed to meet the most critical needs of the business. This means creating a more agile and more practical staffing model where resources are close to the business. Breaking down silos is vital.

A flexible expertise model requires an HR organization to be practical, consultative, and engaging. HR has built unintended barriers into how it's structured and how it deploys its resources or expertise.

Having all of HR's Centers of Expertise—compensation, benefits, learning, talent acquisition, and so on—sitting in the corporate headquarters isolates them from real business needs. Rethinking where HR places its expertise is important, especially in today's global landscape.



Here is what a more agile model looks like:

Having Flexible Deployment Capability



Get HR resources in closer proximity to the business. This may include prioritizing hub and spoke centers of expertise with broader global reach, deploying expertise virtually to sit within a business, or creating dual hats for key HR roles.

Taking a SWAT Approach



Deploy specialized teams, or SWAT teams, to support new initiatives, to handle unique business events such as a merger and acquisition, or to solve critical business problems such as issues of employee engagement.

End-to-end Ownership



Rethink how end-to-end processes integrate to one another and are ultimately owned. Redrawing boundaries around who in HR does what, focusing on critical outcomes from the customer point of view, and letting go of the traditional siloed, "solid line" mentality creates an agile function.

Fostering Engaged HR



A positive consequence to having an agile HR function is being able to provide new experiences. Asking HR professionals to go beyond traditional boundaries builds agile talent, grows new capabilities, opens up new career paths, and leads to an engaged HR function that will attract the best people.



Develop HRBPs Into Business Performance Consultants

Business leaders need their HR Business Partners to help drive business performance, but many HRBPs continue to define success as merely aligning HR programs to business strategy. Kincentric Business Performance Consulting focuses on understanding critical business issues and the corresponding people implications, ultimately bringing relevant and integrated solutions that drive the desired business outcomes.

Business Performance Consulting requires a solutions-focused mindset. This means HRBPs should focus on understanding critical business issues and their corresponding people implications. Synthesizing this data can allow the creation of relevant and integrated solutions to drive desired business outcomes.

HRBPs continue to face a number of barriers to becoming successful business performance consultants. They operate in a rapidly changing environment yet find themselves restrained by organizational inertia, either due to lack of demand from the business or ineffective HR leadership.

HRBPs also often find they are ill-equipped—either they were great HR generalists that were prematurely elevated to the role of HRBP without the required skills and competencies, they don't have the data and analytic tools to support insights, or both.

The key essential attributes to successful Business Performance Consulting are:

Be Business-Focused



HRBPs should focus on attracting talent and building capabilities that move the business forward. HRBPs must also proactively provide insights that help leaders drive change and foster a culture that ultimately achieves business outcomes.

Be Insights Driven



It is not enough to only provide data. Analytics should be used to help leaders understand relevant trends and why they are happening. Through consultation with the business, as well as applying an understanding of external factors and leading practice, HRBPs can better understand how trends impact the business and the problems that need to be solved.

Provide Integrated Solutions



Once the problem is understood, HRBPs should bring forward solutions focused on delivering a pre-defined outcome. This requires HRBPs to think beyond traditional HR silos or boundaries and bring expertise from across the function together to solve problems and design solutions end-to-end.

Provide a Frictionless Customer Experience



HR solutions should leverage “design thinking,” keeping the customer’s need front of mind. Whether this means removing barriers to make things easier or being an advocate for employees, the solution should always focus on impact. Also, continuous feedback should be sought to ensure the solution truly solved the problem.

Where to Start?

To prepare your HR function for the future, begin by proactively looking for opportunities. Assess with a critical eye and be honest about your organization's HR efficiency and effectiveness. Then use this knowledge to find opportunities for improvement.

There will typically be four challenges that signal the need for you to rethink your HR transformation:

- 1 You may have recently implemented a new technology, or have been thinking about it. This presents an opportunity to “rethink HR.” But implementing technology without changing your HR operating model can lead to disappointing results. This is because organizations fail to define the change in value HR will bring to the business. It's important to think about the strategic opportunity a platform shift like this presents.
- 2 Traditional HR silos often cause friction and inefficiency. You might find your HR teams are not nimble or agile enough or that it takes a long time to mobilize the troops for key initiatives. You might also observe a lack of coordination across the function. These serve as an opportunity to rethink how you organize your COEs and deploy resources across HR to tackle big initiatives.
- 3 Organizations that follow the “three-pillar model” (HRBPs, COEs and Shared Services) may find that nothing has really changed. People have new titles and some processes have changed, but ultimately HR isn't delivering anything new to the business. In cases like this, there is likely opportunity for HR to rethink its roles, identify capability gaps, and act to close them.
- 4 HR often is faced with competing priorities, such as wanting to focus on strategic initiatives but being bogged down by administrative problems. This makes HR teams lose focus. When there isn't a clear vision of where HR should focus its time, effort, and resources, there is a need to rethink how the function operates, to develop a strategy, and to establish a governance model that aligns priorities to the business and HR strategy going forward.

The largest and most successful HR transformation projects begin with an honest assessment of HR. Understanding how HR spends its time and money across the function is critical. Coupled with feedback from business leaders, this allows HR to determine whether it has the right resources focused on the right activity. It also allows for identifying and targeting the right process improvement opportunities. Powerful data helps fuel the case for a proper HR transformation.

Contacts

Michael Martin

Partner
Kincentric
Global HR & Talent Advisory Practice Leader
michael.martin@kincentric.com

Jennifer G. Wich

Partner
Kincentric
HR & Talent Advisory | U.S.
jennifer.wich@kincentric.com

Tom Friedrich

Partner
Kincentric
HR & Talent Advisory | U.S.
tom.friedrich@kincentric.com

About Kincentric

Kincentric, a Spencer Stuart company, approaches human capital differently — we help you identify what drives your people so they can drive your business. Formerly a part of Aon, our decades of expertise in culture and engagement, leadership assessment and development, and HR and talent advisory services enable us to help organizations change from the inside. And our global network of colleagues, our proven insights and our intuitive technologies give us new ways to help organizations unlock the power of people and teams — fostering change and accelerating success. For more information, please visit kincentric.com.

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