

The Evolving HR Function

The challenge

Our experience has shown that an organisation's efforts in improving its positioning and performance must be supported by an internal Human Resources function which has an effective delivery model, and which has the capability to provide strategic leadership in people management.

This means ensuring that the HR approach goes beyond transactional and operational activities and is genuinely strategic, using an effective leadership and partnering approach working with the various areas of the business.

Many Human Resource areas as well as providers of business support services, including areas such as Administration, Information Management and Technology, and Finance, are remodelling the way they do business with their clients.

In doing so they are responding to challenges from their clients for:

- Closer working relationships with the client at all levels
- A greater appreciation and knowledge of their clients' business needs
- An appreciation of their clients' operating context and business environment - opportunities and constraints
- Early and proactive advice
- Tailored services which address specific client needs and outcomes
- A strategic business partner capable of collaborating in producing results.

To meet these challenges, service delivery has been re-defined using client partnering models underpinned by consultancy approaches. This requires effective relationship management, framing policy and procedural advice within the context of the client's business, effective scoping of projects and interventions, and tailoring services to meet specific business needs while ensuring consistency with corporate policy and accountabilities.

In our work, many HR functions have successfully moved toward HR partnering models for service delivery. These models are assisting to better position HR functions to drive and embed major cultural reforms and organisational improvements while maintaining operational excellence in HR.

The approach organisations have taken to implementing these HR models has been highly dependant on the cultural and capability challenges faced by their organisation in relation to people management. They have also been implemented with an understanding that while often having strongly related businesses operating within their organisations, areas of their business can also be somewhat diverse in relation to their levels of complexity and demand for HR assistance and advice.

Needed HR capabilities

To work effectively, HR needs to work as a true business partner and be seen as an enabler of performance excellence, not just as a deliver of transactional HR services and as the "policy police". It needs to be positioned to lead the development of the

organisation's culture and performance so it becomes a highly valued contributor to business outcomes and organisation reputation, so it is seen as an employer of choice for potential staff. To do this, according to a recent study by leading researcher and practitioner Dave Ulrich, Senior HR professionals will need to play the following six key roles:

- Credible activist or "critical friend" – based on a foundation of personal credibility and being a trusted advisor, the role extends to being an activist, taking a position, offering opinions and playing the advocate. This means having a broader knowledge beyond HR, and being able to see the bigger challenges and opportunities from the agency's business perspective. It also means being "at the table" for decision making.
- Business ally "partner" – knowing the organisation's business from customer, stakeholder, financial, sector, industrial, and regulatory perspectives, and being able to articulate this understanding. Being able to interpret the trends and opportunities and provide strategy solutions.
- Strategic architect – aligning HR strategy and leadership actions so changes and improvements actually occur and facilitating the development and communication of strategy with line managers.
- Operational executor – ensuring that HR systems and services work effectively around payroll, benefits, on-boarding, and policy advice.
- Talent Manager/Organisational designer – being attuned to both individual ability (right people/right commitment in the right jobs) and organisational capability (culture, structures, processes).
- Culture and change agent – creating and facilitating change processes and ensuring cultural readiness.

Future HR roles have a vital interest in an organisation's reputation and performance. HR needs to ensure consistent, effective communication between stakeholders, build trust in the organisation through engagement, and create an employee value proposition or "employer brand". The senior HR roles will need strong capabilities in:

- Leadership, especially in leading organisational development initiatives
- Handling difficult conversations
- Conflict management
- Consultancy skills and ability to influence strategic thinking
- Visioning, and promoting engagement
- Role modelling supportive leadership through coaching and enabling others

Our response

People and Performance Consulting has worked to build HR capability within several large organisations including with Universities. Given our focussed expertise in the field of HR, we have been asked to undertake HR functional benchmarking and functional re-alignments with a variety of organisations, both within the public, private



and higher education sectors. This has provided us with up to date insight on the challenges and options for HR service delivery in contemporary practice.

The key services *People and Performance Consulting* can provide to build HR capability in organisations are:

- Facilitating development of HR Vision and strategy
- Organisational review and design of an appropriate HR business and service delivery model
- Design of HR organisational structure
- End-to-end process design for critical HR processes (e.g. recruitment)
- Design and implementation of HR partnering teams and key roles
- Support for change management processes within the organisation to gain an understanding and acceptance of new HR functional arrangements – including developing revised accountability frameworks where needed
- Professional development and coaching for senior HR staff in leadership, consulting skills, conflict management and negotiation

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