

HR as a strategic business partner

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ABSTRACT

The role of HR as a strategic business partner has developed a lot from the days of the past when people had not even heard of flatter organizations, flexi timing etc. The term business partner means to cover a range of jobs from administrative, strategic, and consultancy. So according to management guru David Ulrich, HR must assume more strategic roles within organisations so it can implement programmes that support the goals of the business. In today's world HR is the heart of the organization. In the world of business the main objective of business leaders is to maximise profit. HR leaders are well accepted if they are able to convince the business leaders of the ways and means of managing people that will add value to the profitability of the organisation. So it has been justified time and again that people are the most critical element in an organisation, and that has been instrumental in crafting a new role for HR – that of a strategic business partner, the role where they contribute to the company's ongoing success.

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HR As A Strategic Business Partner

In one of the ancient stories of Buddhism, it was told that immediately after his Enlightenment, the Buddha wondered whether or not to teach the doctrine of Dharma to human beings. He was concerned that, as human beings were overpowered by greed, hatred and delusion, they would not be able to see the true dharma – which was subtle, deep and hard to understand. However, a divine spirit interceded and asked that he teach the dharma to the world, as "**there will be those who will understand the Dharma**".

The role of HR as a strategic business partner is in a sense similar to the essence of dharma in business fraternity. Dharma relates to equity, justice, conduct, and righteous duty, among others, and exemplifies the essence of truth and wisdom. Ideally, HR should be espousing the same principles in order to be an effective strategic business partner. The Chartered Institute of Personnel and Development (CIPD) in the UK defines the term "business partner" to cover a range of jobs from administrative, strategic, and consultancy. In a way, an HR business partner works closely with other business leaders to put in place its strategy, steer its implementation, and make the best use of the organisation's people. It was management guru David Ulrich who coined the term "HR business partner" in 1996. He said that HR must assume more strategic roles within organisations so it can implement programmes that support the goals of the business.

What HR should aspire to be?

Organisations are considered as living entities. As such, they consist of the head and the heart, which are the two significant elements just like for humans. The business leader is the "**head**" of the organisation while the HR leader is its "**heart**". The roles may be distinct yet intertwined and therefore, capable of generating impact. A perfect balance in the organisation is possible only when these two elements (head and heart) work in perfect rhythm.

But achieving such goal can be a challenge. A 2007 global study jointly conducted by consulting firm Deloitte Touche Tohmatsu and The Economist Intelligence Unit showed business leaders do not see HR as a key to people strategies. Only 23 percent of corporate leaders see their HR departments as currently playing a crucial role in coming up with a corporate strategy that would have significant impact on operating results. They do, however, recognize people as a key intangible portion of a company's market value. But only 52 percent of HR leaders believe they are major contributors in shaping a company's culture.

On the other hand, there are several HR driven success stories such as the case of Xerox, which has since turned its HR practices and expertise developed over the years into a number of successful business services. These include consulting in such areas as employee empowerment, employee satisfaction, performance management, labour management, motivation, reward and recognition, work-force diversity and sexual harassment. Capitalizing on its core competency of document processing, Xerox also started selling document-management services and recommends technical solutions to support HRMS technologies. Similar undertakings have also been adopted by other companies like IBM, Levi Strauss and Walt Disney Co.

The two-party game

The inclusion of HR into the strategic role is a two-party game between the business and the HR leaders. The more aligned are their objectives, interests and capabilities, the tighter will be the bond. For example, the main objective of business leaders will be to maximise profit. HR leaders will be well accepted if they can convince the business leaders of the ways and means of managing people that will add value to the profitability of the organisation.

Vibrant, courageous and charismatic business leaders would look for similar characteristics in their HR leaders as well. Being the “**heart**” of the organisation, HR leaders would sometimes be expected to be the “**Captain Freedom**” of the company, a Superhero with awesome strength, lightning-fast reflexes, and the uncanny ability to predict climate.

Six qualities for HR as a strategic partner

In order to brand HR as strategic business partner, HR leaders would need to possess certain qualities. While past accomplishments may be noteworthy, the HR leader should focus on future challenges and business strategies. To develop an influential department, the leader must have the following qualities-

1. **Clarity of thought and sense of direction.** HR leaders must be able to see the bigger picture and may work as one of the major growth engines for the organisation.
2. **Business acumen.** The word acumen means “**keenness and depth of perception, especially in practical matters.**” Business acumen is thus, an art that may be cultivated with regular practise. It is an art of linking an insightful assessment of the external business landscape with the keen awareness of how to enhance profitability and then executing the strategy to deliver the desired results.

3. **Patience.** In an interview for Fast Company magazine, Steve Ballmer, chief executive officer of Microsoft, emphasized the importance of patience for succeeding in business. He explained that products and businesses go through three phases: **vision, patience, and execution.** And he said the patience stage is the toughest and most uncomfortable.
4. **Fairness.** In a turbulent global economy, the dilemma among the business and HR fraternity continues especially in cases when the decision is either to indulge in unfair practices, implement short-term strategies and quick fixes, or to take a patient, long-term approach towards sustainable development. Though there is always a freedom of choice, the consequences are usually correlated to the path that either the business or HR chooses.
5. **Self-discipline.** HR leaders will normally be confronted with situations requiring negotiation. Self-control is the essence of negotiation. In his piece of work titled, **“The art of self-control a key to success”** published by Harvard Business School Publishing, author William Ury (cofounder of Harvard's Program on Negotiation) states, **“When negotiating, especially when discussions are emotionally charged, the best strategy comes in not reacting. Focus on your own objectives and how you can best achieve them, and step back from the situation as needed to gain new perspective. The greatest obstacle is not the opposition; it is ourselves.”**
6. **Risk-taking ability.** Risk taking is an integral part of business and life. It is thus, quite relevant for HR leaders to take calculated risks in dealing with people and impacting the bottom line of the business.

Transforming HR into a strategic business partner

We sometimes come across questions about what the concrete steps are in turning HR into a strategic partner. And the answer is quite simple, as it lies with the **“individual”**. As HR leaders one must possess the six qualities. Some of the qualities may be genetic, yet most of them can be cultivated with diligent practice.

Singapore HR Awards

To commemorate the beginning of the marathon of transforming HR leaders into **“strategic business partners”**, the Singapore Human Resources Institute (SHRI), has introduced The

Singapore HR in Singapore to mark successes and accomplishments in the HR fraternity. The Awards serve to confer distinct recognition to HR professionals and organisations as an employer and employee champion to bring out the best through sound and commendable HR and people management practices. The judging criteria include innovation and creativity, contribution to employee needs, contribution to business needs, and contribution to industry or national needs.

In conclusion

It has been justified time and again that people are the most critical element in an organisation. Industry consultants, and those in the halls of academia, and HR leaders themselves have been instrumental in crafting a new role for HR – that of a strategic business partner, the role, where they contribute to the company's ongoing success.

The mantra therefore, is either attaining strength to impact the system or perish!

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