



Baumgartner & Partner Competence Profile

SHARPENING THE FOCUS OF THE HR BUSINESS PARTNER FUNCTION

HR Strategy

HR Operational
Excellence

Talent & Performance
Management

Compensation
Management

Benchmarking

Abstract

Effectiveness + Efficiency = HR Excellence. This is the mission statement of almost all large HR organizations in Europe. All of them are undergoing an HR 'transformation'. And the great majority have identified the HR business partner role to take responsibility for the 'effectiveness' part of the equation. The aim of business partners is to increase the 'pro-activity' of the HR function and with it the value added to the business.

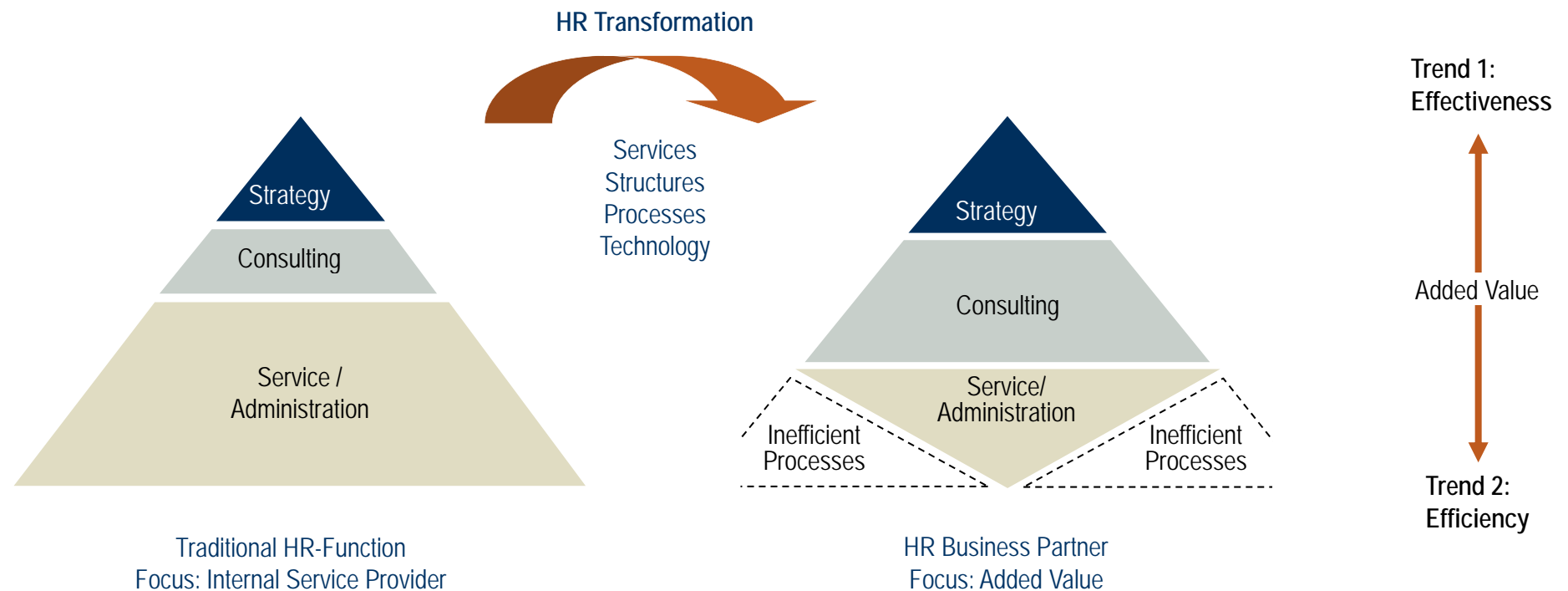
However, the business partner function is not easy to implement. One of the reasons is that the business has rarely asked to 'partner' with the HR function and still primarily calls on it for pure functional expert support. Another reason is that it takes time for former HR generalists to grow into the new pro-active role. And last, but not least, the interface of tasks between a business partner and an independent, centralized HR services function is under constant discussion. In the end, only very few companies seem to be happy with their current business partner model.

Looking at it from the HR client's perspective, just one thing appears to be clear: The client is only willing to accept extra cost of HR services for extra value. In this respect the client is not willing to pay for HR people sitting in regular business meetings without adding value to it. Or for unfocused jour fixes without a tangible outcome. Or for multiple contact persons in HR. So the client calls for a clear and focused HR business partner function.

Looking at what is happening in major organizations Baumgartner & Partners identify a trend to re-invent the business partner function by sharpening it's focus: 'Strategic' business partners are different from 'functional advisors'.

Some of the latest thinking and project experience is collected on the next pages. Please ask us, should you require additional information!

Currently almost all large enterprises transform their HR to achieve higher effectiveness (“More ...”) and efficiency (“... for Less”).



HR organizations strive for higher effectiveness by intending to act more pro-actively than in the past ('HR Business Partnership') ...

From ... (without HR Business Partnership)

- "Thank you for signing the company agreement to reduce the workforce in eastern Europe and the list of employees involved. I will handle replacements and layoffs."
- "May I ask for the summary of the management meeting minutes on the hiring plans for our new branch in XY so that I can prepare for recruiting activities?"

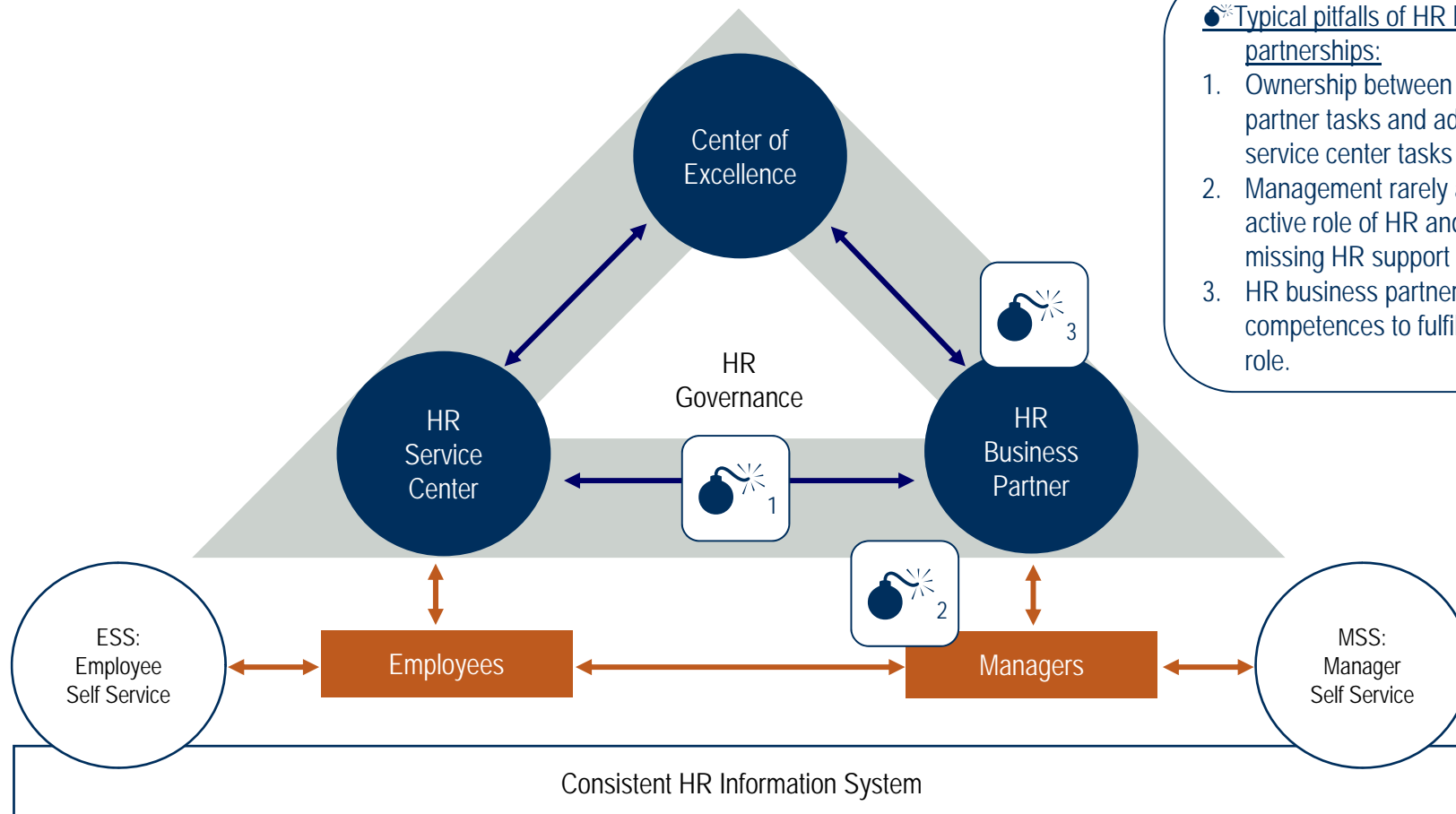
Reactive

To ... (with HR Business Partnership)

- "I have heard of the issues with our joint venture in eastern Europe and about the reduction talks with the JV partner. Here are my suggestions on how to retain and develop our 10 top talents."
- "Dear executive board colleagues, the settlement of our new retail branch in XY will challenge the recruitment of experts. Partly financing a chair at the local university will be the most economic solution to build a sustainable talent pipeline in XY over the next 5 years."

Pro-active

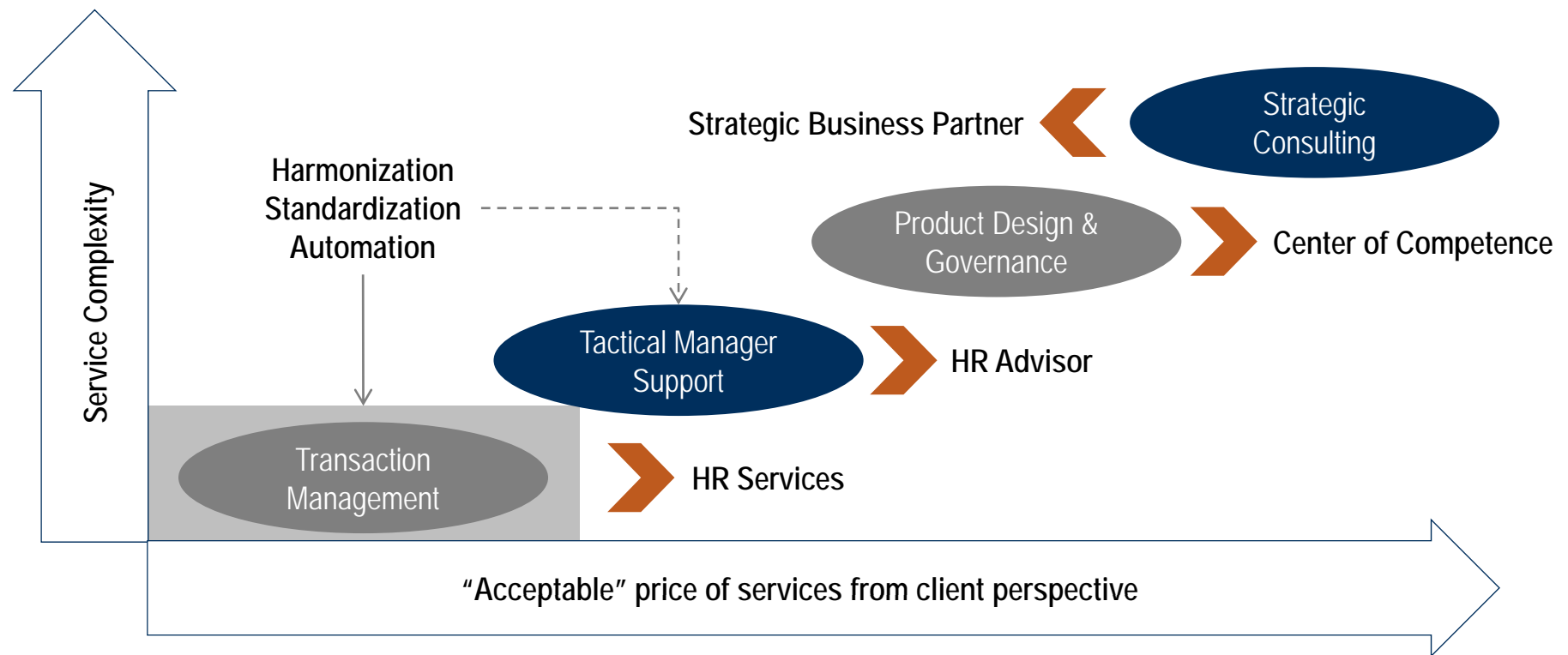
... but experience pitfalls implementing the pro-active role ('HR Business Partner Model').



Typical pitfalls of HR business partnerships:

1. Ownership between HR business partner tasks and administrative service center tasks is unclear.
2. Management rarely accepts pro-active role of HR and won't make up missing HR support of employees.
3. HR business partners lack skills and competences to fulfill the pro-active role.

Client perspective calls for differentiated business partner role: Tactical manager support vs. strategic consultancy



Functional ‘HR advisory’ was identified as an important building block of the HR Business Partner service offering

HR Business Partner Service Catalogue*



- ✓ Typical tasks (dos and don'ts) of a business partner
- ✓ Typical decisions to be taken by business partners
- ✓ Set of KPI's to compare business partner ratios
- ✓ Competency profile of a business partner
- ✓ Transformation plan and career path of a business partner

- I. Linking HR to business
 - » Regular meeting and structures for interaction
 - » Feedback culture
 - » (Pilot) Implementation of (new) HR products and techniques

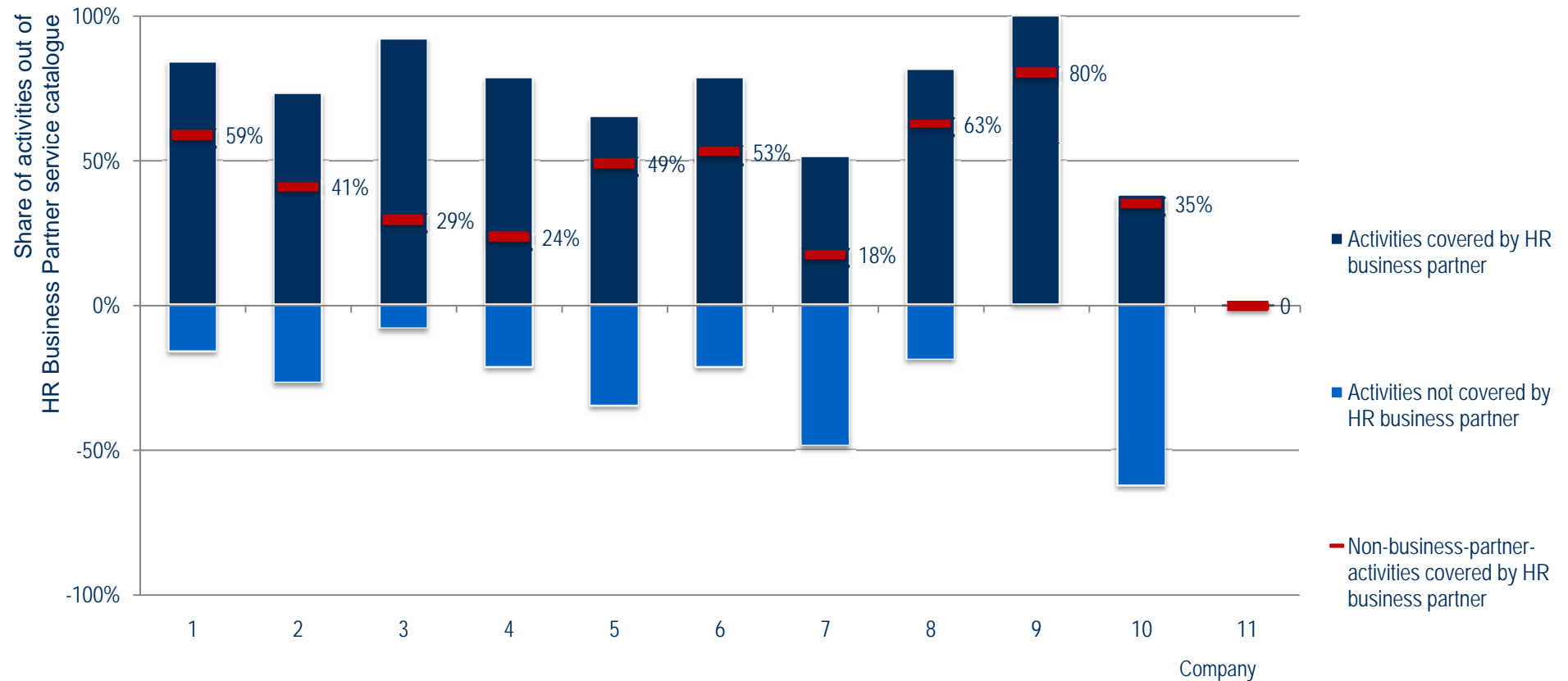
- II. Supporting change and optimization initiatives
 - » HR projects
 - » Projects in the lines of business

- III. Supporting managers in leadership
 - » Active approach
 - » Service offering

- IV. Advising managers through HR expertise
 - » Recruiting
 - » Compensation & benefits
 - » Performance management
 - » Talent management
 - » HR Planning and analytics

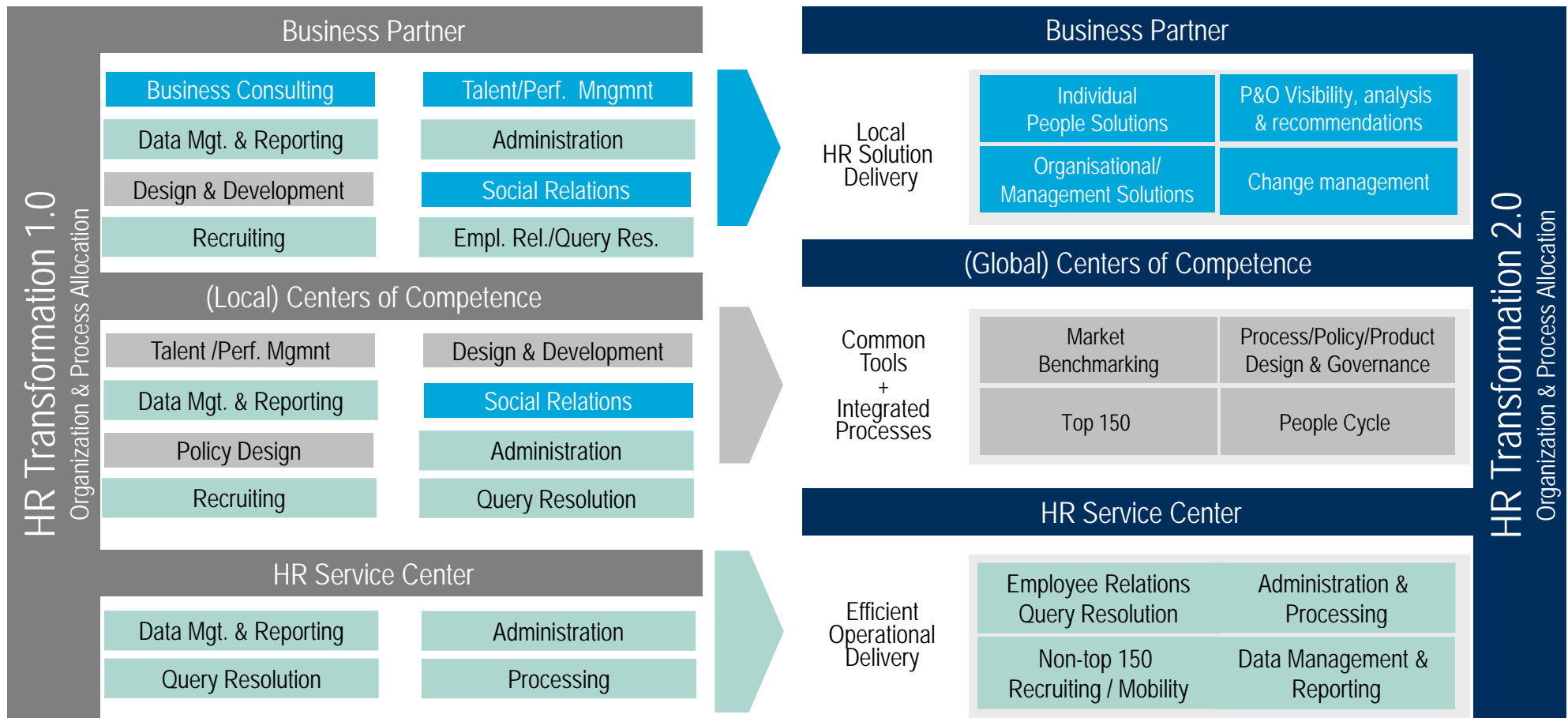
Analysis of HR BP function activities prior to streamlining

Advising Managers with HR Expertise: HR BP Activities in Recruitment



HR Transformation 2.0: Functional focus for the business partner

(Project Example, Industry: Financial Services)



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