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The Human Resources Business Partner

Dr. Carol A. Beatty
Queen's IRC

Industrial Relations Centre (IRC)
Queen's University
irc@queensu.ca
613-533-6628
irc.queensu.ca



Introduction

The Human Resources Business Partner (HRBP) is a popular designation for many human resources professionals in today's Canadian organizations. However, there seems to be no consistent definition of this role and its responsibilities. This article will attempt to describe the most common organizational structures or models used by HR departments to incorporate HRBPs and will review the strengths and challenges of these models. It will also illustrate the duties and the necessary skills of the fully competent HRBP and make recommendations for organizations considering creating HRBP roles.

Assumptions underlying the HRBP Model

At the heart of the Human Resources Business Partner (HRBP) model is the assumption that an HR professional should become a strategic partner with line managers to help fulfill business goals.¹ Its intent is to "help HR professionals integrate more thoroughly into business processes and align their day-to-day work with business outcomes. This means focusing more on deliverables and business results than HR activities."²

A second assumption is that the human side of the business is a key source of competitive advantage. The HRBP model enables the organization to optimize its human capital by bringing human resources considerations into strategic plans.

The success of the HRBP model also depends on several other key assumptions, namely that the HR partner is sufficiently skilled and prepared for this challenging role, that the line managers being "helped" are willing to accept the new model, and that HR work is restructured so that other more traditional HR functions are also being performed adequately.

What are the different models of the Human Resources Business Partner?

The HRBP model was created to respond to perceived deficiencies. HR units were seen to concentrate too much on expertise in activities such as recruitment, staffing, reward, and so forth, instead of the outcomes of these activities, which should be the key HR deliverables.

¹ Ulrich, D. (1998). 'A new mandate for human resources'. *Harvard Business Review*, 76: 1, 124–134.

² Ulrich, D. & Brockbank, W. (2009). 'The HR Business-Partner Model: Past Learnings and Future Challenges'. *People and Strategy*, 32/2, 5-7.

Ulrich proposed four categories of these deliverables as strategy execution, administrative efficiency, employee contribution, and capacity for change. Ulrich’s two-axis model, outlining the HR roles that correspond to these deliverables, is shown in Figure One below³.

Figure One - Ulrich’s Two-Axis Model of HR Deliverables



Strategic partners are meant to help line managers reach their goals through effective strategy formulation and strategy execution.⁴ Change agents are responsible for the implementation of organizational transformation initiatives. Administrative experts oversee the various functional components of HR, such as succession planning, performance evaluation, training and development, etc. and ensure they are up-to-date. The employee champion is responsible for all aspects of employee relations and employee wellbeing.

HRBP models differ according to the emphasis placed on each of these four roles. They also differ according to what portion of the operational roles, if any, is fulfilled by the HR business partner, and what portion is assigned to others, including external providers. HRBPs may be assigned some administrative expert duties but rarely act as employee champions.⁵ Finally, some administrative expert and/or employee champion duties may be delegated to line managers or other HR units within the HR department. As we may observe, there are many different ways of structuring the HR department when it decides to create the HRBP role.

³ Ulrich, D. (1997). *Human Resource Champions: The Next Agenda for Adding Value and Delivering Results*, Harvard Business School Press, Boston.

⁴ Ulrich, D. & Brockbank, W. (2005). *The HR Value Proposition*, Boston, MA: Harvard Business School Press.

⁵ Hunter, I., Saunders, J., Boroughs, A. and Constance, Simon. (2016). *HR Business Partners*. NY:NY, Routledge.

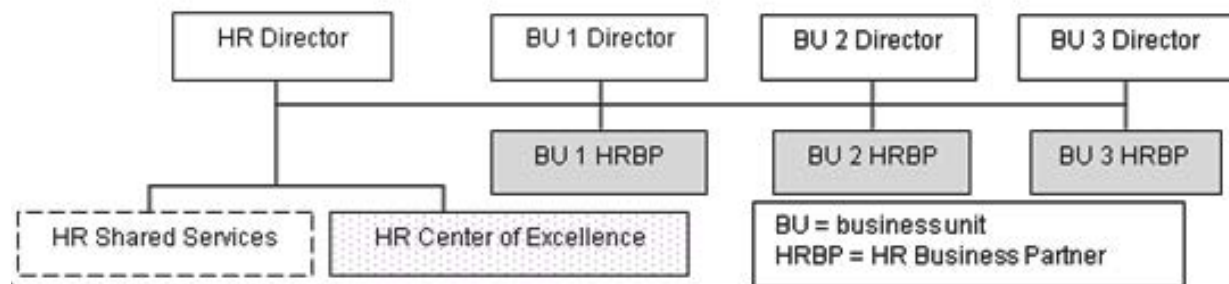
HRBP Models

The Three-Legged Stool Model

To use the HRBP model effectively usually requires some restructuring of the traditional HR department. One of the most common structures is the “three-legged stool” model. HRBPs represent one leg, while the other two are a shared service centre and a specialist centre of excellence/expertise. Shared service centres handle all the routine ‘transactional’ services across the business, such as salary and benefits administration, absence monitoring, routine questions regarding HR policy, etc. This allows standardized access to the administrative processes, as well as facilitating fast and efficient implementation of personnel policy. In some cases, parts or all of the shared service centres may be outsourced.

Centres of excellence/expertise specialize in the provision of high-level advice and services in key HR activities such as training and development, talent management and employee relations. Transformational duties, may also be assigned to HR generalists in these centres of excellence, or in some cases given to the HRBPs. HRBPs work with line managers to help them reach their goals through effective strategy formulation and execution. HRBPs can be centrally located or embedded in business units. Figure Two shows one of the most common configurations of this model.

Figure Two - Typical Configuration of the Three-Legged Stool Model



This model is intended to increase the effectiveness of HR while simultaneously reducing its costs. It is also supposed to align people strategy more tightly with the business strategy and business needs.

But Dave Ulrich, originator of the HRBP concept, cautions that organizations should not slavishly imitate this structure. “A lot of people say HR structure is a three-legged stool, but that’s not at all what the model says. The model says your HR structure needs to match your business structure. If your business is centralised and functional, your HR function should be centralised and functional.”⁶

According to Ulrich, the HRBP role can be incorporated into several HR organizational structures, including at the corporate HR level, embedded as HR generalists with line managers, in service centres as builders or managers of e-HR systems or as HR specialists working in centres of expertise.⁷ This leaves a lot of latitude for organizations to decide where and how to assign HRBP work. Indeed, Figure Three reports on a survey of 128 HR directors and senior leaders by Hird et al.⁸ which revealed that surveyed organizations had not fully adopted the “three-legged stool” model. There are many possible structures featuring HRBPs, and it seems many organizations opt for a hybrid model.

Figure Three - HR Configurations at 128 UK Organizations

	Already Have	Do Not Have	Are Currently Implementing	Plan To Implement
Service Centre	46 (35%)	54 (42%)	21 (16%)	8 (6%)
HR Business Partners	83 (64%)	30 (23%)	9 (7%)	7 (5%)
Centres of Expertise / Excellence	49 (38%)	64 (50%)	9 (7%)	7 (5%)

Other Models

Stripe proposed an “optimal” delivery model which could be used by organizations in a flexible way to make decisions about the allocation of HR work⁹ (see Figure Four). The HRBPs, wherever located, would take care of transformational work (including strategic and change agent roles); a shared services/centre of expertise would be responsible for all (internal) client

⁶ Stevens, C. (2015). Are HR business partners a dying breed? Haymarket Media Group Ltd. *peoplemanagement.co.uk*. Jan 26. 36-37.

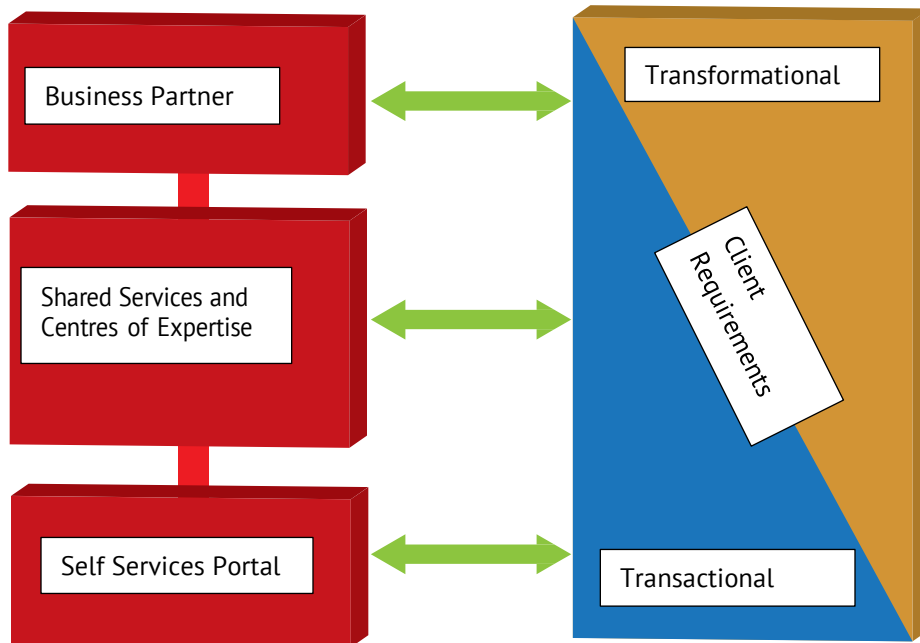
⁷ Ulrich, D. & Brockbank, W. (2009). The HR Business-Partner Model: Past learnings and Future Challenges. *People and Strategy*. 32(2). 5-7.

⁸ Hird, M., Marsh, C. & Sparrow, P. (2009). HR Delivery Systems: Re-engineered or Over Engineered? CPHR White Paper 09/05. *Centre for Performance-Led HR*. Lancaster University.

⁹ As cited in Hird et al., Ibid.

requirements; and a self-service portal would be created for transactional work. (Note that some organizations assign transactional HR work to staff or an outsourcing company instead of creating a self-service portal.)

Figure Four - Stripe’s Optimum HR Delivery Model



According to this model, HRBPs play a “full role in business decision-making, possessing particular skills (such as employee relations if working in a heavily operational environment) but utilising other heavyweight centrally-based experts in areas such as Organisation Design and Development or Talent, as and when required”. However, if these HRBPs are experts in Organisation Design and Development, then they would take on these duties instead of creating a central OD unit.

While there is no one agreed-upon HRBP model, research evidence points to a significant emphasis on the strategic partner and change agent roles among HR practitioners.¹⁰ As CIPD research shows (Caldwell, 2003; Brown et al., 2004), the concept of the business partner is often used as a synonym for strategic partner. However, the term strategic business partner itself remains ambiguous. A panel of experts was recently asked to define it and after struggling, they finally stated: “I can't define it, but I know it when I see it.”¹¹

¹⁰ CIPD HR Survey Report (2003). *Where We Are, Where We're Heading*.

¹¹ Francis, H. and Keegan, A. (2006) The changing face of HRM: in search of balance. *Human Resource Management Journal*. 16(3). 231–249.

Advantages and Challenges of the HRBP models

Advantages

As far as organizational outcomes are concerned, the existing literature describes the advantages of creating HRBPs in mainly theoretical terms. For example, some postulate that “the engagement of HR experts in specific roles adds value to an organization by increasing its competitiveness”.¹²

Others state that HRBPs embedded in business units can increase both flexibility and speed of response.¹³ Indeed, one study of Czech companies adopting the HRBP model cited improved quality of HR services, higher efficiency and standardization of HR processes, more strategic HR activities, and better support of line managers as benefits.¹⁴ Finally, some assert that the HRBP adds value by integrating HR into all aspects of strategic planning and business operations. This integration can help ensure that “the company’s investment in human capital delivers a strong ROI.”¹⁵

Several have also written about the advantages of the HRBP model to the HR profession. For example, de Bruyn and Roodt assert that the “move from managing people to making direct contributions to a firm’s competitive position has raised the visibility and influence of HR in the 21st century.”¹⁶ Gerpott argues that renaming HRM roles into strategic business partners communicates an enhanced status, identity and positive perceptions for the HRBP.¹⁷

Challenges

Despite widespread adoption of the HRBP model, there is little research confirming its link to organizational success¹⁸. Indeed, a survey by Roffey Park reported that half of the 479 managers polled “thought business partnering was less than successful in their organisation. And a quarter said the model was ineffective.”¹⁹ It appears that although the model is appealing, it may be difficult to implement.

¹² *Human Resource Management International Digest*. (2009) HR's strategic panacea: A Danish study of successful HR integration as business partner. Vol. 17 Issue: 3, pp.29-31, retrieved from: <https://doi.org/10.1108/09670730910953399>

¹³ Upstart HR. retrieved from <https://upstarthr.com/hr-business-partner-structure-can-help-question/>

¹⁴ Štríteský, M., Quigley, M. J. D. (2014). Designing HR organizational structures in term of the HR Business Partner model principles from the perspective of Czech organizations. *Central European Business Review*. 3(1). 42-50.

¹⁵ Reflektiv. Retrieved from <https://www.reflektive.com/blog/hr-business-model/>

¹⁶ de Bruyn, L. & Roodt, G. (2009). Applying the criteria of Ulrich and Brockbank for the assessment of the role of human resources as a strategic business partner in a mining company. *SA Journal of Human Resource Management*. 7(1). 176-186.

¹⁷ Gerpott, F. (2015). The right strategy? Examining the business partner model's functionality for resolving Human Resource Management tensions and discussing alternative directions. *Zeitschrift für Personalforschung; München*. 29(3/4) 214-234.

¹⁸ Ibid

¹⁹ Peacock, L. (2008) Top practitioners add credibility to HR business partner backlash. *Personnel Today*. Feb 12, p.2.

Several implementation challenges have been reported, including adopting the wrong design of the HRBP role/model, distortions of the model from cost-cutting or simplification attempts, inadequate skills or preparation of the HRBPs, organizational resistance to the change, client managers who are not receptive to a strategic business partner philosophy, or who are not ready to take on people responsibilities that are sometimes part of the structural change accompanying the creation of the HRBP role²⁰. Descriptions of the skills needed by the HRBP often suggest an unrealistic level of talent and preparation.²¹

If the HRBP is solely oriented towards strategic issues, the danger exists that employees will lose day-to-day contact with HR and will have to rely on line managers to skillfully handle day-to-day HR work such as grievances, harassment, bullying, etc. Line managers often lack the resources, motivation or competence to assume HR tasks, and if the rest of the HR structure is focused on transformational roles and administrative expertise, who will perform the role of employee champion? Will it be only the union? If so, the maxim that “employees are our most valued asset” will surely ring hollow in these organizations.

What are the duties of a HRBP?

There is general agreement that the HRBP’s role should be strategic, but little agreement beyond that about what else the role encompasses.²² To be strategic the HRBP should understand the business of the organization and be able to suggest HR solutions to the line managers’ problems as well as contribute to creating and implementing the organization’s strategic plan.²³ Of utmost importance is for the HRBPs to develop strong working relationships with their line manager counterparts and to win the support of the organization’s leaders,²⁴ in essence acting as internal consultants to managers.²⁵ In some cases, they may also coach line managers to address HR needs within their units.

In one case study an HRBP described her role as follows: “On a strategic level we advise on the policies and procedures and really help with the change initiatives through recruitment and selection, employee relations, disciplinary and grievance, training, sickness and

²⁰ Hird, M., Marsh, C. and Sparrow, P. (2009). HR Delivery Systems: Re-engineered or Over Engineered? White Paper 09/05, *Centre for Performance-Led HR*.

²¹ Stevens. Op Cit.

²² Institute of Management & Administration. Making HR a business partner (2002) *HR Focus*. 79.8: p8.

²³ Ibid

²⁴ Ibid

²⁵ Csizmar, C. (2017). The Wannabe Business Partner. *HR Strategy and Planning Excellence Essentials*. Aurora. Retrieved from: <https://search-proquest-com.proxy.queensu.ca/docview/1952767910?pq-origsite=summon>

absence... For managers working at a senior level we need to manage their expectations, communicating with them about more efficient ways of working.”²⁶

Some advocate moving away from the traditional ‘policing’ role of enforcing HR policies,²⁷ and also emphasizing the role of the HRBP as a change agent²⁸. Nonetheless, some if not most HRBPs still are called upon to perform administrative, transactional or employee relations tasks. “Indeed, acting as a ‘business partner’ could also often entail increasing demands from internal ‘clients’ not only for strategic advice but also more mundane HR services.”²⁹

What are the skills needed by the fully competent HRBP?

For HR practitioners to become strategic partners, they must have competencies having to do with the business issues involved in strategy development and implementation. Fully competent HRBPs must also be able to contribute to organizational design, change management³⁰ and organization development.³¹

A fairly recent case study of a medium sized energy company used interviews with 18 internal stakeholders to find out if and how the company made the HRBP approach work. There was agreement the HRBPs’ level of business acumen and technical HR knowledge was vital to their gaining the credibility and trust of their manager-partners³². Unfortunately, some research has found that business acumen is still lacking in the HR community. A 2006 study by Lawler et al. highlighted a low level of managerial satisfaction with their ability to bring business expertise to the organization.³³

To carry out their strategic tasks, HRBPs must also have consulting skills.³⁴ As internal consultants, their legitimacy depends on senior managers’ acceptance of their expertise. As a result, they need to develop superior influencing, relationship and networking skills.³⁵

²⁶ McCracken, M.& Heaton, N. (2012). From tucked away to joined at the hip: understanding evolving relationships within the HRBP model in a regional energy company. *Human Resource Management Journal*. 22(2). 182–198.

²⁷ Wright, Christopher. (2008). Reinventing human resource management: Business partners, internal consultants and the limits to professionalization. *Human Relations*. 61(8): 1063–1086.

²⁸ Ibid.

²⁹ Ibid.

³⁰ Lawler, E. E., & Mohrman, S.A. (2003). HR as a strategic partner: what does it take to make it happen? *Human Resource Planning*. 26(3). 15-38.

³¹ de Bruyn and Roodt. Op Cit.

³² McCracken and Heaton. Op cit.

³³ Lawler, E.E., J.W. Boudreau & S.A. Mohrman. (2006). *Achieving Strategic Excellence: An Assessment of Human Resource Organizations*. Stanford, CA: Stanford University Press.

³⁴ Wright, Op Cit.

³⁵ Ibid.

So, in order to increase the success of the HRBP role successful, organizations should consider:

- Increasing HR's focus on planning, organizational development and design
- Developing HRBPs' skills in strategic capabilities
- Increasing the business knowledge of the HRBPs and strengthen their link to the business
- Rotating the HRBPs within HR and in the business units
- Deploying the HRBPs to joint line/HR task teams to develop greater understanding of the business³⁶

Does your organization need HRBPs?

The HRBP model is more effective in larger organizations and "it is only successful if transactional work can be reduced through the use of shared services or outsourcing."³⁷ Asserts Jessica Cooper, research advisor at CIPD. Aside from these conditions, organizations may have various rationales for adopting the model.

For example, a study of 97 Czech companies, each with more than 150 employees, found that the main reasons for the transformation included: adding higher value to HR departments' activities by increasing their involvement in the strategic aspects of managerial decisions; strengthening their client focus and improving the quality of HR services to internal clients; improving measurability of HR processes; and improving cost optimization and methods of controlling and reporting such costs.³⁸

Ulrich states that the business setting of an organization also suggests whether or not the HRBP model will work well. If talent and organization are key success factors then the HRBP will be in a position to contribute to success.³⁹ On the other hand, Boglind et al. assert that organizations having a strategy or change initiatives focused on knowledge management, competency and/or information are more likely to profit from making HR a full strategic partner.⁴⁰

³⁶ Boglind, A., Freddy Hallsten, F. & Thilander, P. (2011) HR transformation and shared services: Adoption and adaptation in Swedish organisations. *PR*. 40(5). 570-588.

³⁷ Stevens. Op Cit.

³⁸ Štríteský and Quigley. Op Cit.

³⁹ Ulrich and Brockbank. Op Cit.

⁴⁰ Boglind et al. Op Cit.

So in summary, you may want to consider adopting an HRBP model if:

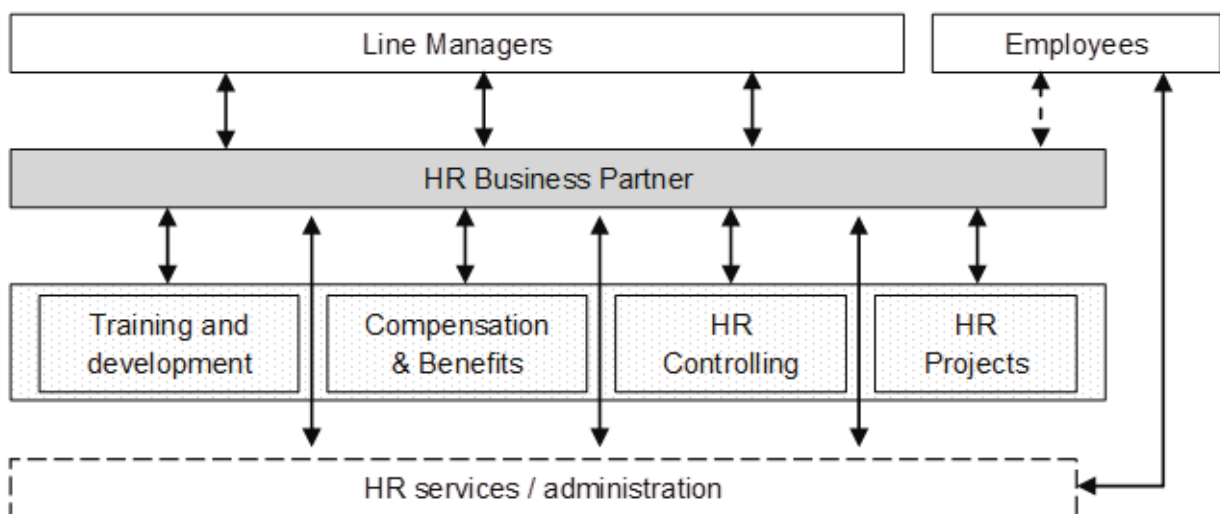
- Your organization is of a sufficient size to benefit
- Transactional work can be reduced through the use of shared services or outsourcing
- You want to increase HR involvement in strategic decision making
- Talent management, knowledge management, competency management or information management are key success factors for your organization

Case Study

The following case study describes the transformation of the HR department in a chemical company to the HRBP model with a shared services unit.⁴¹ The authors claim this case study is an example of best practices because of the positive evaluation given to the quality of HR services by the company's managers after the transformation.

The company decided to transform the structure of the HR department guided by the values of the department, namely strategic partnerships, added value, reliable service and international orientation. The main objective was to provide internal clients with higher quality services, as well as to become a respected partner for the other departments within the company. Figure Five illustrates the structure of the HR department after the transformation.

Figure Five - The New Structure of the HR Department after Transformation



⁴¹ Stříteský and Quigley. Op Cit.

The new structure divided the HR departments into front office and back office. The back office consisted of four expert teams which focused on training and development, compensation and benefits, HR supervision, as well as HR projects. The HR administration department was to deal with the run of the mill HR activities.

A new position of the HR Business Partner was created. The HRBP was to provide broader support to internal clients. This role had been assigned, initially, to internal HR consultants, but this role was broadened to include responsibility for the execution of the HR processes, the implementation of HR standards, participation in business projects, cooperation with internal and external service providers, overseeing the adaptation of new employees to the corporate culture as well as dealing with operational issues. All this is in addition to the daily HR agenda.

The HR Business Partner was also to deal with requests from the assigned line departments, either alone or in cooperation with the back office. Back office departments were made responsible for creating the HR tools and systems while the HRBP was responsible for their implementation in cooperation with the assigned line managers.

Conclusion

As can be seen from the above case study and from the other sections of this article, there are many ways to structure both the HR department and the role of the HRBP. Organizations should design the HRBP role with their own unique needs and characteristics in mind.

About the Author



Dr. Carol A. Beatty is former Director of the Industrial Relations Centre at Queen's University at Kingston, Ontario, and an Associate Professor with Queen's School of Business, where she has taught in undergraduate, graduate and executive education programs.

An acknowledged expert on change management, strategy development, high performance teams and facilitation, Dr. Beatty focuses her consulting on human and organizational issues in modern organizations. She has studied the implementation of change for over 25 years, including technological change, strategic change, mergers and acquisitions, structural change, and employee buyouts.

An active researcher, she has recently completed a multi-faceted study on the key success factors of change management, comprised of a large-scale survey and several detailed case studies. She is also well-known for her major study of high-performance teams in which she isolated the three skill sets teams need to develop to be effective. Dr. Beatty's publications have appeared in such journals as the *Sloan Management Review*, *Human Relations*, the *California Management Review* and the *Business Quarterly*. She completed her MBA and PhD at the Ivey School of Business at the University of Western Ontario.

Carol is a sought-after consultant and speaker who has helped many private and public sector organizations become more effective. She is a trained facilitator in Future Search (Weisbord and Janoff) and Whole System Change (Dannemiller Tyson).

Recent publications include *The Easy Hard & Tough Work of Managing Change* (2016), *Building Smart Teams: A Roadmap to High Performance Teams* (2004 with B. Barker), and *Employee Ownership: The New Source of Competitive Advantage* (2001 with H. Schachter). In addition, Dr. Beatty has authored several complex multimedia business simulations used in high-level human resources education: *Panorama at the Crossroads*, *Change-O-Meter*, and *Harmon Health*.

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Industrial Relations Centre (IRC)
Queen's University
Kingston, ON K7L 3N6
irc.queensu.ca

