

Bye bye, business partner. Hello, HR entrepreneur

There's a new HR model in town, says CHRIS ROEBUCK. It is time for all in HR to become entrepreneurs and show what HR can really do for their organisations

The 'business partner' model of human resources has been around for about 10 years now. It has improved both transactional and transformational HR delivery, but this has not led to improving organisational performance to the satisfaction of many CEOs.

This leaves HR with a problem.

Having attended Dave Ulrich's Michigan course, I know the business partner model is often not implemented properly – primarily, by failing to, as a first step, ensure HR really understands what the organisation and its line counterparts do. This lack of understanding leads to HR using 'assumed' need rather than 'real' need and the subsequent delivery of 'HR best practice' that the line neither needs nor wants. Further, the lack of clarity about the roles and responsibilities of line managers, senior leaders, HR and individuals relating to managing people and improving organisational performance inevitably leads to critical things being ineffective, for example, performance management.

Even where HR enthusiastically tries to 'serve the business better', it is sometimes counter-productive. What operational line partners want is not always what the organisation needs most. There is a frequent lack of alignment between operational and strategic objectives at mid and lower levels. If HR delivers to the operational but not the strategic agenda, it won't add full value. Further, the lack of clarity around roles, objectives and priorities between the line and HR causes confusion. This leads to complex HR strategic initiatives for senior management and HR 'sticking-plasters' at operational level, each of which neither aligns to each other nor to the delivery of key organisational objectives in a prioritised way. Being

'responsive' doesn't mean always doing whatever the business wants, if it doesn't add value. The result of this is a potential underperformance by most organisations of between 15% and 25%.

The business partner model must be significantly adapted to ensure critical elements which deliver this organisational performance improvement are either emphasised or added, if missing. Key elements are a focus on business-driven prioritisation, alignment to key objectives and delivery with clarity and simplicity. HR must take a proactive, not reactive, approach as a key part of the business, not a separate 'partner'. Many insightful CEOs say this is what they need – and if HR can't deliver, they will get someone who will. In reality, CEOs don't care about HR best practice: they just want the best bottom line. HR must reflect this by thinking and delivering in an innovative business future-driven perspective, not a traditional risk-averse HR process/legacy-driven one. We must be HR entrepreneurs, not just business partners.

The HR entrepreneur is an individual, at any level or location in HR, who:

- Has good professional HR knowledge
- Has good non-HR business knowledge, eg project management, customer service
- Understands operational activity nearly as well as the line managers she or he supports

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Everyone in HR has to think as an entrepreneur, accurately assessing the situation, innovating, being flexible and taking managed risk to drive better business bottom line. There is no 'best practice', only the 'best current outcome'

- Understands the wider organisation and its strategic objectives possibly better than the line manager
- Understands the environment and market within which the business operates
- Is constantly looking outward, benchmarking the organisation not just against last year's performance but at least peers' and possibly best-in-class standards



- Has an innovative and entrepreneurial mindset to
 - be proactive in identifying ways to drive better business performance, not just HR, by looking for opportunities to improve external delivery
 - suggest lean initiatives that deliver maximum ROI for minimum resource and manage risk effectively by reducing process where possible
 - focus on delivering what the organisation needs strategically to sustainably improve for the future

This change is important, as it matches the development of the entrepreneurial leader within world class organisations, where a proactive, innovative and flexible approach to business leadership is being seen. It is vital HR reflects this by building business know-how. However, the HR entrepreneur can function, even without the line being entrepreneurial. HR entrepreneurs can be a catalyst to help develop entrepreneurial line management.

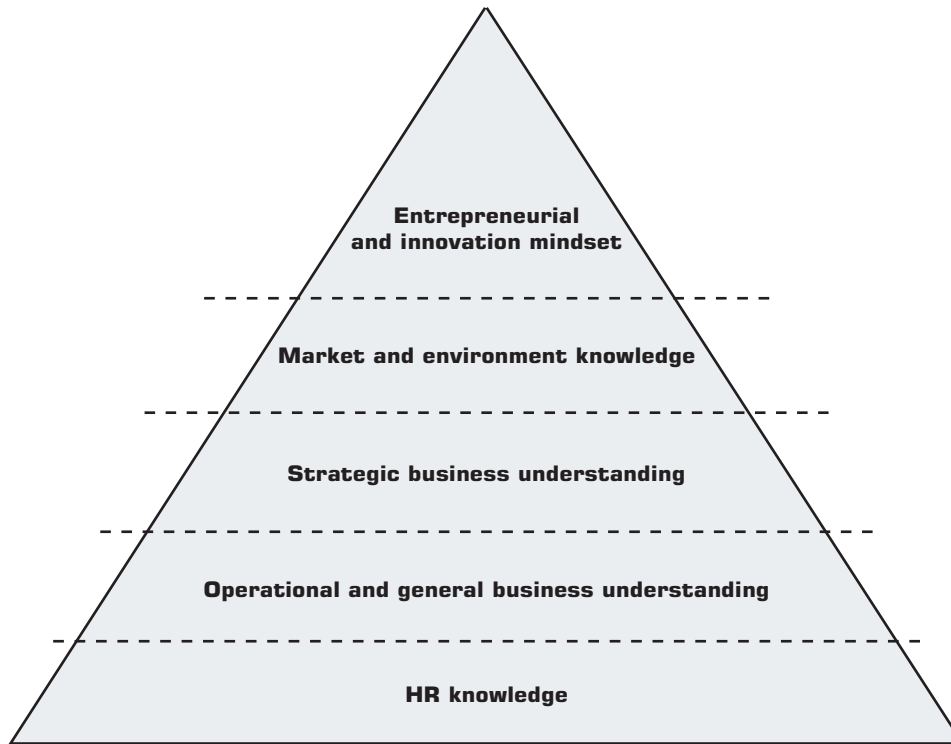
The HR entrepreneur is not another level above transformational HR. The HR entrepreneur's single objective is to support the maximisation of organisational performance; that must be the benchmark for all activity. So, entrepreneurial HR principles have to be applied everywhere, in both transactional and transformational activity. Not only that, but we must be prepared to remove HR activity that does not add optimum value to the organisation, even if it is seen as 'best practice'. There is recent research that complexity in organisations which exceeds the need to deliver objectives and manage risk has significant cost and impact on engagement. Over-complexity is a risk in itself.

As entrepreneurs, HR must focus on outcomes – not roles, titles, or process for process' sake. Everyone in HR has to think as an entrepreneur, accurately assessing the situation, innovating, being flexible and taking managed risk to drive better business bottom line. There is no 'best practice', only the 'best current outcome' and this will vary between situations, organisations and times. This matches service delivery to organisational need.

How can HR, both individuals and functions, become entrepreneurial? To start, four easy steps can set the overall agenda. These can be developed in a proactive way, simply and quickly, with the right approach.

1. Before you do anything ensure that you understand, that is '*understand*', not just '*be aware of*':
 - a. The operational activity you support in depth
 - b. The strategic vision, objectives and values of your organisation in detail
 - c. The market environment, together with the challenges the organisation faces in detail, its competitors, and the future prospects, including a SWOT analysis
 - d. The key research and principles for the improvement of organisational and individual performance, eg leadership, engagement, project management, process design and delivery, quality customer service and brand development.
2. Review current service delivery, in both transactional and transformational HR:

Entrepreneurial HR: The basic model



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- a. Discuss with the business where the process could be improved to produce better outcomes, be made simpler or use less resource
 - b. Review those areas and, bearing in mind risk-management requirements, make changes to:
 - i. Reduce the complexity, time or effort required
 - ii. Add more value
 - c. Review whether current service delivery is aligned to the achievement of critical strategic objectives – or just operational objectives
 - d. Prioritise work of strategic benefit with senior leaders, then align operational activity to support that. Take a holistic view
 - e. Ensure clarity of responsibilities between HR, line and senior management
 - f. Don't announce you are an HR entrepreneur – just deliver the service
3. Review the organisation's strategic and operational objectives and identify additional potential support HR could provide that would enhance the delivery of those objectives, based on the knowledge gained in section 1 above.
 4. Constantly review what is being delivered through the filter of improving organisational performance and customer service, not the HR 'best practice' filter.

The organisation doesn't care what HR people are called, so long as they get things done. So the HR entrepreneur should be an internal aspiration of what good HR people do, not a new title. Entrepreneurial HR is the key to the future. The reactive implementation of the business partner has helped us on the journey, but it is now time for all in HR to move up a gear, become HR entrepreneurs and show what HR can really do for their organisations. If you don't, someone else will.

Everyone in HR, no matter what their level, should have all of the above skills developed proactively by their organisation, whether by using internal business faculty and/or external support. **HR**

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