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## Beyond HR Competencies: Removing Organizational Barriers to Maximize the Strategic Effectiveness of HR Professionals

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The central question posed by Schiemann and Ulrich (2017) focuses on what human resources (HR) leaders need to *know* or *do* to deliver business results in the new work environment. Although understanding the knowledge and capabilities that successful HR professionals need is critical, the focal article places an overemphasis on the characteristics of individual HR leaders alone, without fully exploring the environmental inhibitors of their strategic effectiveness. In this commentary, we argue that competencies and the

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environment must be given equal attention to maximize impact on business and talent outcomes. We first describe the strategic competency gap among HR professionals and discuss four key organizational barriers that impede the strategic impact of HR on the business. We then offer recommendations for how industrial–organizational (I-O) psychologists and HR leaders can help remove these barriers to maximize strategic effectiveness.

We base our discussion on extensive research of the HR business partner (HRBP) role, including a CEB (2007) Corporate Leadership Council study, which surveyed more than 17,000 line managers, 3,000 HRBPs, and 101 chief human resource officers (CHROs). The initial study was followed by a 2013 reexamination of the HRBP role (CEB, 2014), which included a survey of more than 1,500 HRBPs and nearly 900 line leaders, representing more than 300 organizations in more than 100 countries, as well as interviews with more than 100 CHROs. Unless otherwise noted, any statistics presented in this commentary are from the 2013 surveys of HRBPs and line leaders.

### **The Strategic Competency Gap**

There are four critical roles that HRBPs play: (a) “operations manager” (e.g., communicate policies, track trends), (b) “emergency responder” (e.g., rapidly respond to line manager or employee needs), (c) “employee mediator” (e.g., managing conflict between employees or managers), and (d) “strategic partner” (e.g., adapting HR strategies to align with organizational objectives; identifying talent needs of the business; CEB, 2007, 2014). The HRBP’s effectiveness as a strategic partner has the greatest impact on business unit talent outcomes (e.g., employee performance, employee retention) and financial outcomes (e.g., revenue growth, profit growth; CEB, 2014).

Beyond the four baseline foundational acumen and knowledge competencies acknowledged by Schiemann and Ulrich as contributing to future HR success, HRBPs also require competencies that enable the actual adoption of their recommendations in their work with internal clients. In addition to the baseline competencies, HRBPs must be able to apply that expertise in a way that influences and persuades key stakeholders and line leaders. The seven critical competencies that align with the strategic partner HRBP role are data judgment, talent management acumen, business acumen, organizational acumen, leveraging networks, leadership (including persuasion and influence), and innovation (CEB, 2014).

Despite significant and continued organizational investments in enhancing the skills of HR professionals, at best only half of HRBPs were rated as effective by line managers in each of the critical competencies, and only 19% of HRBPs were rated as strategically effective overall (CEB, 2014). There is an opportunity for organizations to improve their methods for HR capability development. However, even for those HRBPs who effectively

demonstrate the critical competencies, only 38% were rated as strategically effective by the business. Simply demonstrating proficiency in the critical competencies did not beget strategic effectiveness. One implication of this finding is that there is an opportunity for improvement by looking beyond the HR leader's capabilities, as building capabilities alone will not allow HR professionals to achieve their full potential impact on organizations.

### **Organizational Barriers to Strategic HR Effectiveness**

Aspects of the organizational environment including role design, line receptivity to the HRBP role, HR functional support and processes, and cross-functional workflow collectively explain about 10% more of the variation in line leader ratings of HRBP's strategic effectiveness than aspects of "the person" (competency proficiency, professional experience; CEB, 2014). The importance of the organizational environment is increasing over time as the new work environment evolves, explaining 9% more of the variance in ratings of strategic effectiveness in 2013 compared with 2007. This is why we must also turn attention to aspects of the organizational environment that may impede strategic effectiveness. There are four organizational barriers to improving the strategic effectiveness of HRBPs (CEB, 2014). These barriers span the organizational environment to include the HRBP (application barrier), the business unit (partnership barrier), the HR function (functional barrier), and the enterprise (enterprise barrier).

#### ***The Application Barrier***

The application barrier is present when HR professionals do not fully understand how to be more strategic. One common challenge for HR professionals is a lack of clarity in terms of their role expectations, indicated by 38% of those surveyed. Although HRBPs generally understand the importance of being "strategic," they do not always understand how to apply their competencies in their daily activities in ways that are strategic in driving organizational performance or impacting other business outcomes. Several factors contribute to the application barrier, such as variation in HRBP performance expectations across business units or teams, the limited availability of strategically effective HRBPs (as rated by their line partners: 10% in 2007; 19% in 2013) who can serve as role models, and the difficulty of establishing consistently applied standards for strong HRBP performance. Organizational strategies that address these three factors help to minimize the application barrier. This barrier may become even more pronounced given the effects of other, conflated operational factors on HRBPs' understanding of their performance expectations. Examples of contextual factors influencing the role of HR practitioners include organizational structure and culture (Oltra, 2005), the strategic planning process, HR functional transformation

initiatives, and enterprise-wide changes within organizations, such as mergers and acquisitions or market expansion.

As a result of the application barrier, HRBPs often struggle to prioritize the work they should focus on with respect to strategic and proactive versus tactical/transactional and reactive talent activities (e.g., day-to-day HR operations such as payroll or benefits requests, conflict resolution across individuals and teams). The lowest performing 10% of HRBPs spend about 16% of their time on strategic activities, whereas the top 10% of HRBPs spend approximately 24% of their time on strategic activities, especially in a way that includes collaborating with appropriate internal stakeholder groups (CEB, 2013). However, it's not only how much time they are spending but *how* HRBPs spend their time. Training on critical HRBP competencies via traditional classroom training or on-the-job learning can enable HRBPs to reduce the application barrier. For instance, combining business and talent management acumen would allow HRBPs to make talent recommendations within the context of the business's interests/goals. Increased proficiency in leveraging networks could ensure that HRBPs are using their insight of their line partners' perspectives to provide more strategic support, and applying effective data judgment could allow HRBPs to demonstrate a component of strategic support.

### ***The Partnership Barrier***

The partnership barrier refers to a misalignment between HRBP support desired by line leaders and the support they actually request in practice. Although approximately 66% of line leaders reported that they want HR to be a strategic partner in the business, only 22% of line leaders engage HRBPs for strategic insights, such as providing input on strategic talent issues or making strategic talent decisions (CEB, 2014). Line managers' overreliance on HRBPs to provide transactional support is due in part to their desire for consistency in the type of support they have received from their HRBPs, given HRBPs have historically delivered tactical support but also limited communication from HR functional leadership about the objective for HRBPs to play more of a strategic partner role (CEB, 2012). The partnership barrier is further reinforced by how HRBPs are evaluated and rewarded for their performance. Evaluations of HRBP effectiveness are typically informed by qualitative input from line clients and metrics oriented around the quality and speed of HR service delivery but not on business outcomes achieved (CEB, 2014), exacerbating the strategic versus tactical support conflict for HRBPs.

### ***The Functional Barrier***

Although we agree with Schiemann and Ulrich's emphasis on the importance of collaboration, complex interdependencies within the HR function have

created barriers that often inhibit intra-HR coordination and collaboration to a greater degree than expected. Only 28% of organizations effectively coordinate activities across the HR function, and only 30% of HRBPs have a firm understanding of their peers' roles in HR (CEB, 2014). Common talent management processes that span multiple HR functions (comprising HRBPs, shared services, centers of expertise, and global/local HR operations), such as goal setting, succession planning, or performance management processes, can introduce tensions via different or competing goals, unique perspectives, or confusion over when to hand off work or share information (CEB, 2012). For example, HRBPs may aim to use customized metrics to support their line clients' unique talent strategy, whereas shared services prioritize the collection of scalable metrics. Such tensions within the HR function can adversely impact support to the line and cause intra-HR relationships to suffer if not well managed.

### ***The Enterprise Barrier***

The enterprise barrier refers to inhibited coordination or misalignment with cross-functional partners outside of HR, such as information technology, finance, sales, marketing, legal, or research and development. HR professionals struggle to productively coordinate, foster, and encourage strategic connections with key partners in other support functions to provide comprehensive, integrated solutions to line leaders (Schooling, 2016). Only 31% of HRBPs work with non-HR peers on strategic activities, resulting in uncoordinated cross-functional solution delivery (CEB, 2014). This lack of coordinated strategic support can create more work for line leaders by making it difficult to keep track of disjointed recommendations, outreach, or support from multiple functions. HRBPs who actively and effectively coordinate with other functions across their workflows (e.g., identify talent challenges, design talent processes, deliver talent programs, monitor progress on projects and strategies) can experience as much as 11% higher strategic impact than peers who do not coordinate (CEB, 2012, 2015).

### **The Role of I-O and HR in Removing Organizational Barriers**

I-O psychologists have an opportunity to partner with HR to maximize the strategic success of HR professionals and the business impact of HR products, processes, and data-driven insights. I-O psychologists are uniquely positioned to partner with HR professionals to remove these organizational barriers by applying science and HR best practices to the workplace to maximize the strategic effectiveness of organizations. The importance of the link between HR practices and organizational outcomes is highlighted by human resource management (HRM) conceptual frameworks such as the content approach of HRM practices (Sanders, Dorenbosch, & de Reuver,

2008; Sanders, Shipton, & Gomes, 2014), HRM as a system (Bowen & Ostroff, 2004), and the universalistic perspective of strategic HRM (see Delery & Doty, 1996).<sup>1</sup> These approaches collectively suggest that HR practices such as recruitment and selection, training, performance appraisal, and career management can improve organizational performance. I-O psychologists are well versed in both the research and the application of these HR practices. In addition, I-O psychologists are equipped with specialized skills that facilitate working strategically including understanding and influencing human behavior, incorporating assessment methodology, and applying statistical techniques to measure business impact (Society for Industrial and Organizational Psychology, 2016).

I-O expertise can aid in overcoming the application barrier by developing and implementing assessments to ensure that organizations are selecting individuals who have the foundational skills required to be successful HR professionals. Additionally, assessment methodology can be used to evaluate and develop the right capabilities in existing HR professionals to enhance effectiveness. Developing skills assessments and talent audits helps by highlighting strengths and high priority areas for development in the capabilities of HR professionals. I-O professionals work with HRBPs and other key organizational stakeholders as part of strategic planning and performance management processes to ensure that the performance expectations of HR professionals are clearly aligned with the organization's strategic objectives. DeNisi and Smith (2014) posited that bundles of HR practices, when aligned with organizational strategic goals, can be used to create a climate for performance that could help to specify the knowledge, skills, and abilities needed to improve firm-level performance.

Similarly, fostering developmental activities through training, experiences, or capstone projects can help HR professionals apply and develop their skills in areas that will have a strategic impact on business results. For example, Tan and Nasurdin (2010) found a positive relationship between training and organizational innovation. Resources such as actionable competency-based individual development plans; participating in webinars on topics such as data judgment, strategic partnering, or talent management acumen; and ongoing counsel from direct managers and learning/development colleagues could help HR professionals select appropriate learning experiences, set goals, and focus on high priority development areas for a strategic impact. In addition, more formal development programs and curricula could help HRBPs receive support in recognizing what high-quality strategic support

<sup>1</sup> The authors would like to thank an anonymous reviewer for suggesting relevant HRM perspectives to consider.



looks like and practice application of those competencies in both classroom and virtual settings.

This type of blended learning approach, via on-the-job experiential learning (Pulakos, Mueller Hanson, Arad, & Moye, 2015), traditional classroom learning, and other methods, clarifies for HRBPs what they need to be successful in the role. Growth-based experiences, including the ones described here, as well as career management involving internal lateral moves (e.g., job rotation) and vertical moves (promotion) can foster organizational learning as well as innovation (e.g., Leavy, 2005). The HR best practices summarized in this commentary can be implemented within HR departments to demonstrate to the rest of the organization the benefits of effectively implemented human capital solutions.

I-O psychologists can also apply research based findings to help HR professionals determine the optimal use of time spent on strategic activities compared with other types of activities such as transactional or operational activities, mediation of conflicts, or responding to HR-related emergencies. For instance, on average, HRBPs spend approximately one third of their time collecting and analyzing data (CEB, 2014). I-O psychologists can help HRBPs develop more efficient data judgment capabilities by jointly identifying and prioritizing the best metrics to use for a given business objective.

I-O psychologists and HR can work to remove the partnership barrier by facilitating the reeducation of line leaders and managers (and HRBPs) to establish clear expectations for HRBPs. As part of this expectation setting, attention should be directed at how HR can support the broader business agenda *and* the HR agenda (Schooling, 2016). A strong knowledge of business needs will help I-O psychologists and HR leaders be intentionally proactive in offering strategic advice to line leaders, even when it is not requested (as suggested to be essential; Schooling, 2016). Active involvement with the business's strategic decisions and talent issues is likely to perpetuate the perceived role of strategic advisor within the organization.

I-O psychologists and HR leaders can leverage an understanding of human behavior to train HR professionals on the partnership styles that are most likely to have a strategic impact. Three partnership styles when applied effectively, and in combination, can help HRBPs more actively shape their relationships with the leaders in their business unit (CEB, 2014):

- *Leading with data*: identify problems, communicate ideas, build solutions, and evaluate progress
- *Thought partnering*: brainstorm solutions with line clients; develop strategies to influence line client decisions

- *Connecting*: collaborate with others across the organization to collect information, address problems, and share ideas

To mitigate the functional barrier, I-O psychologists and HR leaders can take steps to improve relationships and collaboration within the HR function by focusing on areas in which different HR groups are interdependent, evaluating workflow overlap, and identifying ways to coordinate activities across HR groups. Negotiating roles within HR can have up to an 11% impact on HRBP strategic effectiveness, and understanding cross-HR workflows can have up to a 14% impact (CEB, 2014). Action steps that can be taken to help build connections within the HR function (CEB, 2012) include redistributing how transactional HR activities are assigned across different HR functional groups, developing guidelines or “guardrails” to evaluate and prioritize all requests for HR support based on the requests’ alignment with organizational values and impact on business unit and organizational goals, sharing the diagnosis of business unit talent needs and relevant implications on HR support among Centers of Excellence (COE) leaders and HRBPs, and evaluating regularly the effectiveness of relationships between HRBPs, shared services, and COEs.

To mitigate the enterprise barrier, similar steps can be taken to improve internal collaboration with the HR function and other organizational support functions. For example, building a team with leaders from each HR function that regularly meets with comparable leaders from other support functions can help facilitate transparency, clarity of goals across stakeholders, and collaboration and communication (CEB, 2014; Ladika, 2014). To maximize the business impact of these initiatives, team members could also be trained on how to become “enterprise contributors,” or those who excel at their individual tasks as well as take from and contribute to their internal networks, in the interest of improving relationships across corporate functions. HRBPs’ enterprise contribution will scale their impact to a greater degree if they are able to articulate the value of HR work to the organization; develop an understanding of their peers’ workflows, objectives, and challenges (both within and outside of HR); understand the context in which organizational decisions are made; and identify problems and initiate changes (CEB, 2013).

## Conclusion

Overall, although we agree with Schiemann and Ulrich’s discussion and insights regarding the need to build collaboration, deliver data-driven insights, and develop HR capability in competencies that have a positive impact on the business, the impact of those efforts will be limited if we do not also actively work to remove barriers to success in these areas. In this way, I-O and HR can



work together to help improve key business outcomes such as organizational performance.

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