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Business partnering

Learn why organisations use business partnering, how it's implemented and how it can shape successful relationships across the organisation.

Introduction

Many organisations use business partnering as their key HR operating model. Business partners are aligned to and work closely with business leaders to enhance workforce performance, foster and nurture strategic people enablers such as talent, leadership, learning and culture, as well as develop people solutions, to achieve the organisation's objectives.

This factsheet explores what business partnering is and how it works, both as a model and a mindset. It covers the roots of business partnering, the role of the business partner, and the original business partnering model. It also offers guidance on implementing business partnering and how it can help businesses shape positive change to people, performance and business practices.

What is business partnering?

Business partnering, sometimes called HR or L&D (Learning and Development) business partnering, is not the what, but how HR delivers its capability in an organisational context. Business partners work closely with leadership teams to help build organisational and people capabilities. They work with the organisation to shape and implement effective HR strategies and programmes, drawing on their unique knowledge as people professionals. The concept of business partnering was conceived in the mid-1990s by Dave Ulrich and has become fundamental to the way many organisations structure their people function, although the original model has evolved since.

The essence of true business partnering is context. It's understanding the organisation's strategy and goals, appreciating people demographics, the organisational culture, and developing people solutions that help achieve business objectives while enabling employees to flourish. This is achieved through developing meaningful relationships with

key people and teams across the organisation, using data to be more <u>evidence-based in practice</u>, and delivering a portfolio of business relevant solutions that meet the evolving needs of the organisation.

Our <u>Profession Map</u> sets the international benchmark for the people profession and aligns closely with business partnering as a practice.

Why implement business partnering?

Business partnering is one way that HR can move away from being a traditional back-office function, to become a business enabler or driver. It's about developing and deploying expertise that helps shape positive change, translating the organisation's goals into people-based solutions, as well as challenging and focusing on adaptive people practices that ensure alignment to future objective.

Some of the key reasons organisations implement the business partner (BP) model, or consider doing so, are:

- **Enabling the business** – Rising expectations mean that people professionals need to work proactively as strategic enablers. Working closely at the right levels and with the right people, the BP model can ensure strategic objectives are achieved, by understanding the business, responding to challenges and helping shape strategies that merge people practices with high performance.

- **Cost-effective** – An aligned, proactive and networked HR team has the potential to ensure cost-effectiveness by focusing expertise where it's needed. People professionals then work closer with the business to interpret the needs of others and create solutions that deliver positive outcomes. Increasing efficiency and reducing costs are important for any organisation, so adapting the way HR is organised to deliver on these areas illustrates their credibility.

- **Connected** – Effective business partnering builds productive relationships that improve collaboration. If people professionals can help break down internal silos, it facilitates a more connected way of working. Through championing and driving this, people professionals can create the networked, agile, learning organisation that many thought leaders believe is the future of work. The business partner can therefore be a true catalyst for transformational change.

- **Strategic** – If those working as an HRBP (HR Business Partner) or L&D Business Partner are aligned with, and in effective partnership with, the leadership structure, they are in a prime position to critically evaluate, influence and develop

the appropriate people solutions to help the leadership team achieve their objectives and vision. HR then becomes both a strategic partner and strategic enabler in one.

Operating models should be different for different organisations, depending on their context, size, complexity and evolution. Business partnering is just one approach: it's potential value, efficiencies and capabilities should be critically assessed to decide if the BP model is suitable for a particular organisation. However, business partnering should not be simply defined as a role. It's both a capability and a mindset that encourages people professionals to design and align the right capabilities and solutions as the organisation evolves.

How can business partnering be implemented?

There's no standard way to implement business partnering because context is incredibly important – what works in one organisation may not be right in another. However, the two most common ways it's been implemented (depending on the needs and budget of the organisation), have been either aligning individual business partners, or the 'three-legged stool' model.

Standalone business partners - attached to or aligned to a business unit. This role is the focus of the relationship between HR and L&D and the business, ensuring HR and L&D are aligned effectively with the teams and individuals they support. BPs are facilitators and business consultants, ensuring that the HR value proposition is both relevant and effective.

Three-legged stool model- where the HR service is split between three areas of expertise:

Both options have their strengths and weaknesses. There are many different types of organisation, so this means that there are many ways that HR can be expressed as a functional model. However, HR becomes a true business partner through understanding the business model, the operating context, shaping the people strategy and creating the right HR services to deliver a positive impact on the organisation, its people and wider communities.

How can organisations create effective business partnering?

The most effective way to create a BP model is to consult with the business to nurture the

right value proposition and operating model that's understood and supported by the business. Too often, the business partnering concept is delivered as a solution without any consultation to ensure it's aligned or even understood.

Much of business partnering to date has focused on it being a defined role within an HR team – often a strategic BP or operational BP, and sometimes a specialist partner (such as recruitment, reward, talent, etc). It's also evident that other business functions have picked up on the benefits of business partnering, creating finance partners, marketing partners etc, to align their capabilities more effectively with the organisations they support.

There are four key areas to consider in being an effective business partner:

- **Understanding the business model at depth** – getting to know and understand how the business operates, how it creates value, its strategic drivers and its purpose.

- **Generating insight from data and evidence** – using and applying underline evidence to support business cases or strategies, as well providing insight, inspiration and the opportunity to validate and qualify the impact of their work.

- **Connecting with curiosity, purpose and impact** – asking the right questions, crafting networks and understanding where HR can identify opportunities to create the most value.

- **Leading with integrity, consideration and challenge** – having the courage and confidence to challenge the business and its leaders.

Our report Business savvy: giving HR the edge looks at these four foundations, and offers further ideas on what people professionals need to understand their business better.

Of course, understanding the business is essential for a business partner role. However, BPs also need to be able to take 'an outside look in'. Ulrich talks about this in his book 'HR from the outside in: six competencies for the future of human resources' (see Further reading) and it's also evident in research by Orion Partners which has shown that there are five main criteria for success:

- **Self-belief** – HR needs to believe in its own capabilities and how it can add strategic value to the organisation.

- **Independence** – HR needs to be courageous enough to challenge the business and leadership, even when it might not be the most popular option.

- **Knowing the business** – HR needs to understand the business, its strategy, its

purpose, its culture and be able to have meaningful conversations about those things.

- **Relationships** – HR needs to be able to build and facilitate relationships across the organisation that are based on trust and are productive for all stakeholders.

- **'One HR'** – HR needs to connect its capabilities into a joined-up approach so that the business sees a seamless service. This is internal partnering in practice.

These points will help people professionals re-evaluate, rethink and refresh their business practices, but also position of HR as a true partner to the organisation.

The nature of the BP model has and will continue to change. The CIPD engages with organisations to survey and understand how it is evolving and constantly develop and grow our learning programmes to meet the needs of current and aspiring business partners.

What to consider when implementing business partnering

Successful implementation and ongoing evaluation of the BP model is essential to ensuring that the HR and L&D services are fit for the business. Further to the research outlined above, HR needs to consider the following when assessing or implementing the model:

- **Credibility** – If the stakeholders are not engaged with and committed to business partnering as a way of working, HR's credibility and ability to deliver effective partnering solutions will rarely be realised. The business' leadership, management and other key stakeholders need to be engaged and consulted so that they understand the value and opportunity of the business partner model. It's essential that people professionals can communicate and demonstrate this to the people they are working with.

- **Capability** – Being a business partner requires a certain set of competencies, the right blend of knowledge, values, capability and experience, that can be recognised and developed. People functions need to be able to assess, align and develop the right people for the role to ensure it's a success. Not everyone is suited to the role.

- **Community** – Effective HR business partnering is as much about creating connections amongst the teams as it is with the wider business. Relying on process mapping and areas of control can still lead to things slipping between the cracks

where there is no clear or defined responsibility. Partnering with colleagues and creating a collaborative team helps bridge these issues and demonstrates the tangible value of business partnering.

- **Context versus content** – Effective business partnering means understanding the depth and breadth of the wider HR team's capability and then applying this in the right context to deliver both immediate and strategic value. HR needs to focus on business imperatives if it is to be deemed a credible business operator.

- **Focus** – Whilst business partnering is about context, it's also important to ensure that BP roles do not get distracted by low value work. Whilst it's important to do occasional case or project work to maintain currency and help build trust with new stakeholders, the real value is achieved by working towards strategic elements.

- **Strategic 'road mapping'** – Business partners must plan and map change effectively. This means understanding the needs of change, likely outcomes, identifying quick wins to build credibility, celebrating milestones achieved, as well as measuring the potential and eventual impact of people solutions. Developing a road map that's aligned to and has the potential to shape the overall strategy is key. Tracking transition as it progresses through agreed milestones will help ensure success.

Further reading

Books and reports

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GRIFFIN, E., FINNEY, L., HENNESSY, J. and BOURY, D. (2009) _Maximising the value of HR business partnering: a practical research based guide_. Horsham: Roffey Park Institute.

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ULRICH, D., YOUNGER, J. and BROCKBANK, W. (2012) _HR from the outside in: six competencies for the future of human resources_. New York: McGraw Hill.

Journal articles

FRIEDRICH, T. and RAJSHEKHAR, T. (2018) The evolving role of HR business partners.

Workforce Solutions Review. Vol 9, No 1. January/February. pp24-25.

McCRACKEN, M., O'KANE, P., BROWN, T.C. and McCRORY, M. (2017) Human resource business partner lifecycle model: exploring how the relationship between HRBPs and their line manager partners evolves. *Human Resource Management Journal*. Vol 27, No 1, January. pp58–74.

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STEPHENS, C. (2015) Are HR business partners a dying breed? *People Management* (online). February. pp36-37.

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