

HR doesn't "partner" with the business

HR IS PART OF THE BUSINESS



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Introduction

In 1998, [HBR described](#) the role of Human Resources (HR) as follows:

"In most companies today, HR is sanctioned mainly to play policy police and regulatory watchdog. It handles the paperwork involved in hiring and firing, manages the bureaucratic aspects of benefits, and administers compensation decisions made by others ... But the fact remains: the activities of HR appear to be—and often are—disconnected from the real work of the organization. The new agenda, however, would mean that every one of HR's activities would in some concrete way help the company better serve its customers or otherwise increase shareholder value."

Fast forward nearly 25 years. Rather than being "order takers" disconnected from the business, HR has recently focused on "partnering with" the business. While that may be an improvement, it's still not the reality of HR's role in modern workplaces.

"As HR practitioners, we are conditioned to fall into place," writes Steve Browne in "[HR Rising!](#)" "We have defined roles, and the expectation is for us to stay within the lines written in some form of a job description. Since we feel this is the only area from which we can perform, we in turn force this narrow approach on others, as well. Everyone in their place. No exceptions. We tend to get highly agitated when people decide to work outside of these defined parameters."

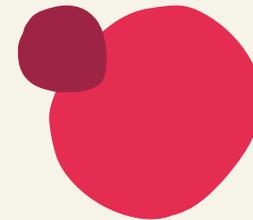
Before January 2020, invisible parameters may have held HR back. Then, a global pandemic arrived. As COVID-19 spread around the globe, HR found itself at the center of the crisis in workplaces. Without any defined roles, HR managed health and safety protocols, implemented work-from-home arrangements, addressed vaccine mandates, and conducted site closures, to name a few.

This global crisis, and the collective reliance on HR to keep the business in operation, made it clear that HR doesn't just "partner with the business." HR is an integral part of the business. Companies where HR became part of the business not only survived COVID but thrived and grew.

HR must be an integral part of business operations for any company with its sights set on success. McKinsey [recently researched](#) how businesses can best organize for the future. Their findings suggest that future-ready companies have three things in common:

1. they know what they are and what they stand for,
2. they operate with a fixation on speed and simplicity, and
3. they grow by scaling up their ability to learn and innovate.

To participate (and be viewed) as part of the business, HR must adopt the strategic mindset and approach of "future-ready" companies. HR must help facilitate the positive change their organizations need. This guide will explore three ways HR can show up as part of the business.



The evolution of the modern HR leader

Traditional HR

-  I'm an HR professional
-  My priorities are administrative
-  I'm a business partner
-  I answer questions about roles and benefits
-  I'm responsible for staffing new offices
-  I help managers execute PIP plans
-  I check in to see if people are happy
-  I need help from Finance and IT to collect people data

Modern HR

-  I'm a business leader
-  People are my top priority
-  I'm accountable for business outcomes and solutions
-  I lead HR programs that create a remarkable work experience
-  I recruit and hire great people for our global teams
-  I onboard, train, and develop people so we can all meet business goals
-  I foster a great company culture
-  I use HR tech to collect people data, present insights, and make informed decisions

They know what they are and what they stand for

If future-ready businesses “know what they are and what they stand for,” it’s HR’s responsibility to serve as caretakers of an organization’s culture and vision. We are not advocating for a situation in which HR “owns” culture—that’s not the case.

“Every company has a culture, either by default or by design,” [according to Robert Glazer](#), founder of Acceleration Partners. “When companies don’t pay attention or guide the culture, the wrong values can become ingrained. Employees can learn by observation that there is a culture of secrecy, of placing blame or of cutting corners.”

While HR may not own culture, they oversee everything about it and hold an essential role as caretakers of your organization’s values. The

programs and policies HR puts in place help define and reinforce organizational culture. [According to research from McKinsey](#), when HR facilitates a positive employee experience, organizations are 1.3 times more likely to report organizational outperformance.

As part of the business, HR can

- build recruiting strategies that attract and retain talent who embrace the organization’s culture;
- implement performance metrics that are based on and aligned with the company’s vision;
- provide development opportunities that embed culture and vision into learning activities; and
- gather regular feedback to evaluate, assess, and measure how employees feel about the organization’s vision and culture.

They operate with a fixation on speed and simplicity

Employees can't operate with speed in a system that doesn't support simplicity. Regarding HR, "operating with a fixation on speed and simplicity" requires empowering employees. It's trusting employees to do the right thing and eliminating micro-management from business processes.

"Instead of micromanaging each decision, smart companies realize that allowing individuals the freedom to engage in constant, iterative experimentation can lead to more powerful outcomes than can deliberately designing and tightly managing each step. This is particularly true in organizations whose environments are evolving in unpredictable and unprecedented ways," [according to authors at Harvard Business Review](#).

As outlined under "Freedom and Responsibility" in their Culture Code, the Netflix approach is a five-star example of how HR is a critical player in creating a business model that empowers employees. The [Netflix code states](#):

"To avoid the rigidity of over-specialization, and avoid the chaos of growth, while retaining freedom, we work to have as simple a business as we can given our growth ambitions, and to keep employee excellence rising. We work to have a company of self-disciplined people who discover and fix issues without being told to do so.

We are dedicated to increasing employee freedom to fight the python of process."

In the code, they specify how they “operate with unusual amounts of freedom.” Examples include sharing documents internally and “using good judgment” when spending and signing contracts.

Their policy for travel, entertainment, gifts, and other expenses is to “act in Netflix’s best interest.” Yes, that’s just five words.

As for compensation, “Each employee chooses each year how much of their compensation they want in salary versus stock options. You can choose all cash, all options, or whatever combination suits you. You choose how much risk and upside you want. These 10-year stock options are fully-vested, and you keep them even if you leave Netflix.”

For those in HR who might be worried that the micro-management pendulum has swung too far, Netflix’s code says this:

“You might think that such freedom would lead to chaos. But we also don’t have a clothing policy, yet no one has come to work naked. The lesson is you

don’t need policies for everything. Most people understand the benefits of wearing clothes at work.”

Ideally, HR provides their organization with human resource (emphasis on human) insights that enable the company to continue to deliver results while avoiding unnecessary complexity.

As part of the business, HR can:

- treat employees as valued members of the organization who make the business run;
- create a culture that trusts employees to make good decisions;
- prioritize only the most essential policies and procedures to which employees must comply;
- adopt and implement a simple organizational structure, so people aren’t bogged down by hierarchy; and
- develop a learning culture that supports a positive approach to mistakes and implement [learning management systems](#) to offer micro-learning and just-in-time training, giving employees instant access to the tools and resources they need to do their jobs.

They grow by scaling up their ability to learn and innovate

For an organization to scale and innovate, HR must deploy top talent to do the most critical work. This type of movement requires a deep understanding and appreciation for the value each employee contributes. It requires a flexible and interchangeable organizational structure that can [move and adjust based on the strategic plan](#).

It requires that everyone in the organization (not just HR) think about talent—all the time. The responsibility for keeping talent front and center lands with HR.

“To enable this shift, HR should manage talent rigorously by building an analytics capability to mine data to hire, develop, and retain the best

employees ... to engage business leaders in a regular review of talent, they [HR business partners] can develop semi-automated data dashboards that track the most important metrics for critical roles,” [suggests McKinsey](#).

Workforce planning data in the business

As the owners of workforce and organizational data, HR is instrumental in delivering the information companies use to hire employees with the correct skill sets and place them in the right roles. According to research from [myHRfuture](#), 90 percent of companies surveyed expressed a “desire to build a skills-based workforce planning process.”

Unfortunately, the same research found that only 26 percent are doing so—even though [workforce planning](#) drives operational, financial, and strategic decisions and outcomes.

The outcomes of workforce planning



Source: [Building the Future Organisation: A New Playbook for Workforce Planning](#)

To be recognized as drivers and active members of the business, HR must actively contribute and provide the data that informs decisions and strategies. As COVID illustrated, organizations require HR's expert workforce and employment insights if they're going to survive.

As part of the business, HR can:

- draft their recruiting and hiring strategy based on workforce planning to support business needs;
- use **HR data** to drive operational decisions around labor deployment and customer success;
- support financial planning and **budgeting processes** with recommendations based on hiring top talent for projected needs;
- implement an **HRIS** that takes your HR tasks to the next level; and
- provide managers, leaders, and HR with the data they need to manage their people and make informed decisions about your organization's future.



Conclusion

HR is no longer the disconnected group that “handles the paperwork involved in hiring and firing, manages the bureaucratic aspects of benefits, and administers compensation decisions made by others.”

In fact, HR has actually contributed to the business since the days of the personnel department—people just haven’t acknowledged those contributions. It’s clear that HR professionals need to remove the restraints that may have held them back in the past. They should feel empowered to step up and claim the value their contributions bring to the operation.

“HR professionals are meant to be well-rounded resources,” writes Steve Browne in “HR Rising!” “We can perform at all levels of our company regardless of our roles and titles. We need to see ourselves in broader terms because we should bring our teams

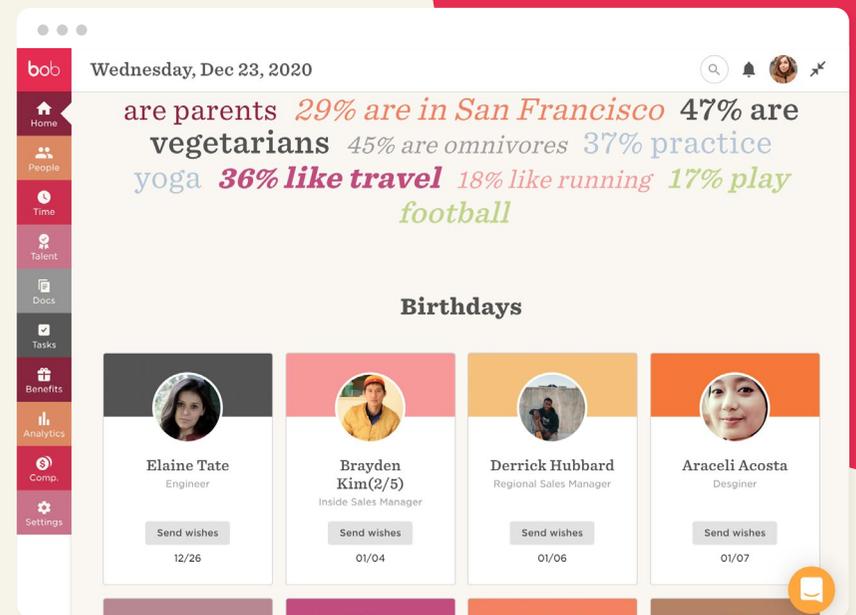
together across departments. The canvas and reach of HR is limitless. I mean it. Break out of the stagnant position in which you’ve become entrenched. It isn’t helping you or the people who need you.”

Indeed, for companies of the future that embrace new ways of working and revamp the way HR influences the business, there’s the potential for tremendous change. As with so many aspects of business, the pandemic has provided an opportunity for HR to examine its approach and strategy to meet future organizational needs—during good times and bad.

Meet bob

bob is designed and developed for the new world of work. Onsite, hybrid, and remote HR leaders can drive culture, two-way communication, engagement, performance, and compensation.

bob's innovative UI, automated processes, and integrations with leading third-party tools ease administrative tasks for everyone across the organization and make even the most mundane work tasks pleasant, intuitive, and engaging—and not just for HR admins. bob puts people first with culture tools that connect co-located and remote employees to their fast-growing, global companies.



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