

Do Your HR Leaders Spend Enough Time on Strategic Partnership?

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Human-resources professionals often lament that they spend too little time acting as strategic partners in their organizations. But many observers have noted that the corporate appetite for HR to fill a strategic role is not the only factor. Rather, they argue, HR people themselves are devoting too much of their focus to administrative and functional issues, and not enough on business strategy.

Meanwhile, HR leaders typically believe that their counterparts in the finance profession spend much more time acting as strategic partners and less time on functional administration. But is that really true?

Every third year since 1995, the Center for Effective Organizations has conducted a study called "[Achieving Excellence in the HR Function](#)." Among other things, it examines how HR leaders spend their time. Participants are asked how they allocate their time among five key HR activities. Despite the fact that since 1995 there has been both strong and weak economic activity as well as several eras of HR evolution, the results have been remarkably consistent. Here are the latest ones:

- Maintaining records: 13.6%
- Auditing/controlling: 12.5%
- Providing human-resources services: 30.4%
- Developing HR systems and practices: 16.7%
- Acting as a strategic business partner: 26.8%

Compare those results to responses to the Duke University/*CFO* Global Business Outlook Survey, which posed the same question to 477 CFOs. The results:

- Maintaining records: 24.9%
- Auditing/controlling: 16.2%
- Providing finance and accounting services: 34.1%
- Developing financial systems and practices: 12.5%
- Acting as a strategic business partner: 12.3%

CFOs actually reported spending half the time on being a strategic business partner than HR leaders did, and twice as much time on maintaining records!

If finance is the benchmark function for how to develop and maintain strategic-partnership roles, perhaps HR should rethink its impression that it doesn't spend enough time on strategic partnership. Perhaps finance is simply more efficient, such that they

achieve strategic outcomes in less time. Perhaps the models for the processes finance uses tend to produce outcomes that are more strategic in nature. Certainly the answer will vary, but it could be that the problem for HR isn't spending more time on this, but rather learning how to do it in half the time.

Still, the data from our HR study suggests that spending more time on strategy is associated with greater HR and organizational success. We examined three outcomes: HR's strategic role, HR's functional effectiveness, and organizational performance. HR's role in strategy was measured this way: 1=HR plays no role in business strategy; 2=HR is involved in implementing the business strategy; 3=HR provides input to the business strategy and helps implement it once it has been developed; 4=HR is a full partner in developing and implementing the business strategy. HR effectiveness reflects ratings on 11 questions about different HR goals such as change management, cost effectiveness, etc. Finally, organizational performance reflects answers to a question on how the organization has performed on its strategic goals relative to its peers.

Time spent on maintaining records, auditing/controlling, and providing HR services are all *negatively* associated with all three outcomes. In other words, the more time they spend on those three activities, the lower they tend to rate their own role as business partner, HR's functional effectiveness, and organizational effectiveness.

On the other hand, time spent on strategic partnership is *strongly* positively associated with all three outcomes. HR leaders that report spending more time on strategic partnership also report a stronger strategic role, greater functional effectiveness, and greater organizational performance.

My prior columns have suggested how leaders can think more strategically about human capital. One catalyst to such thinking can be strong strategic leadership from HR professionals. Perhaps it's worth considering whether you should encourage your HR leaders to spend more time on strategic activities. Or, perhaps HR can learn from their finance counterparts how to be "strategic" in half the time. Or, perhaps finance professionals might ask if they are spending enough time on strategic partnership.

The results of the Center for Effective Organizations's latest "[Achieving Excellence in the HR Function](http://ceo.usc.edu/project/the_evolution_and_design_of_th.html)" study will be published this year by Stanford University Press. You can read more about the project at http://ceo.usc.edu/project/the_evolution_and_design_of_th.html