THE GOOD STUFF IS HERE

Do you have a purposeful HR organization or an accidental one?

The CHRO's 5 Questions to Optimize Your HR Operating Model
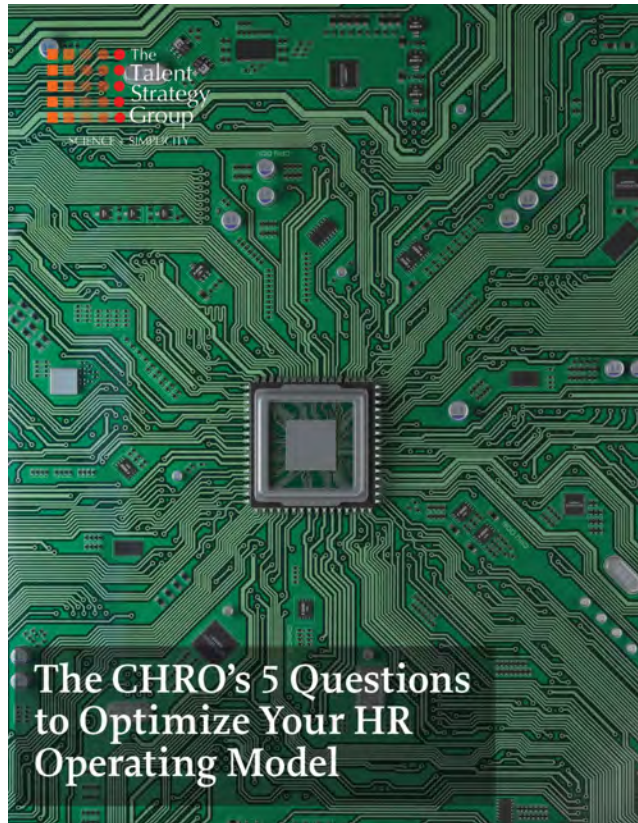
Today

- What's an HR Operating Model and how to optimize yours
- Your questions

HR FIGHT CLUB

★ ★ ★

HRBP | COE

BOXING

ESTD 2021

HR vs. HR:
Let's Stop the Fight

The Talent Strategy Group
SCIENCE + SIMPLICITY
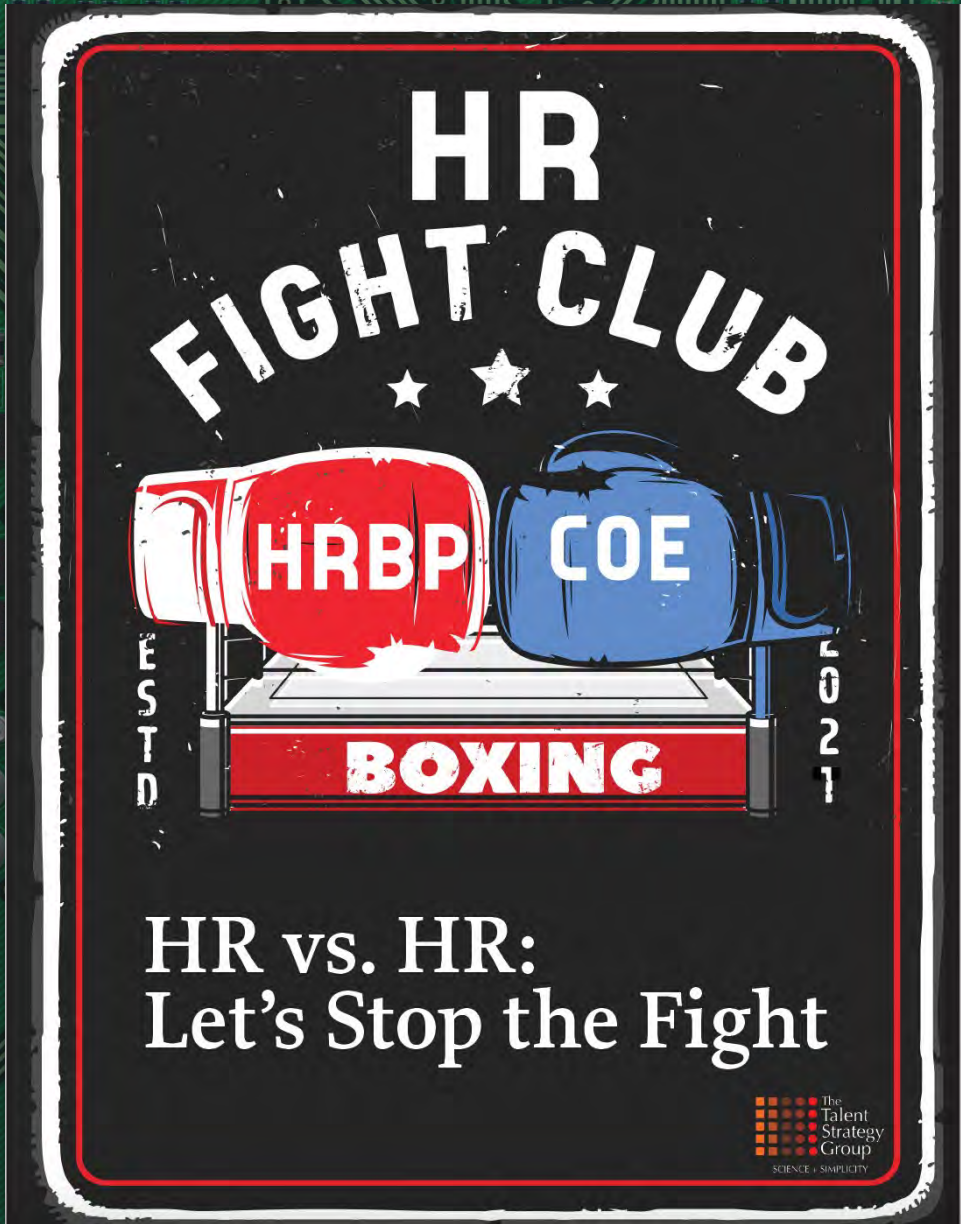
It's the Mortar, not the Bricks:

The State of HR Organization Design &
How to Bring Your HR Structure to Life

Marc Effron
Talent Strategy Group

The Talent Strategy Group
SCIENCE + SIMPLICITY

The CHRO's 5 Questions

1. What do we do and why do we do it?
2. What are our guiding principles to operationalize HR?
3. How do we design HR to meet those needs?
4. How will the work of HR get done?
5. How will we assess the execution of our HR Operating Model?

1. What do we do and why do we do it?

What is the purpose of HR?

- "We create the culture and capabilities that deliver superior aeronautical engineering products"

- "We bring to life a diverse, inclusive organization that enables every employee to perform at their highest level"

○ Direct flow from the business strategy

○ Specific, not generic

○ If you do everything, you do nothing

2. What are our guiding principles to Op' HR?

Lots of assumptions but how clear are you really?

- Who owns the client?

- Should you have direct lines to the CHRO or dotted lines?

- Consistent processes globally or local adaptation?

- What service level at different organization levels?

- What's the role of shared services?

- What's the criteria to outsource?

- Layers, spans of control, etc.

3.

3. How do we design HR to meet those needs?

Share of HR resources, %

McKinsey & Company

Chief HR officer

Business partners
offer strategic talent counsel and translate business strategy to HR strategy

Centers of excellence
offer insight via business partners and support areas

Shared services
executes administrative and transactional support of HR products

Mercer

HR business partners

Strategic HR

HR leadership

HR centers of expertise

Operational HR

Figure 1: The HR operating model of the future

HR operations and service delivery team	Head of HR
Human capital intelligence	Strategic talent leaders
HR technology team	
	Problem solvers
People relations managers	
Shared services	Next-generation COEs

Gartner.

External communities

The future of work

Digital access and technology

Programs, policies and procedures

Legal and regulatory requirements

Communities

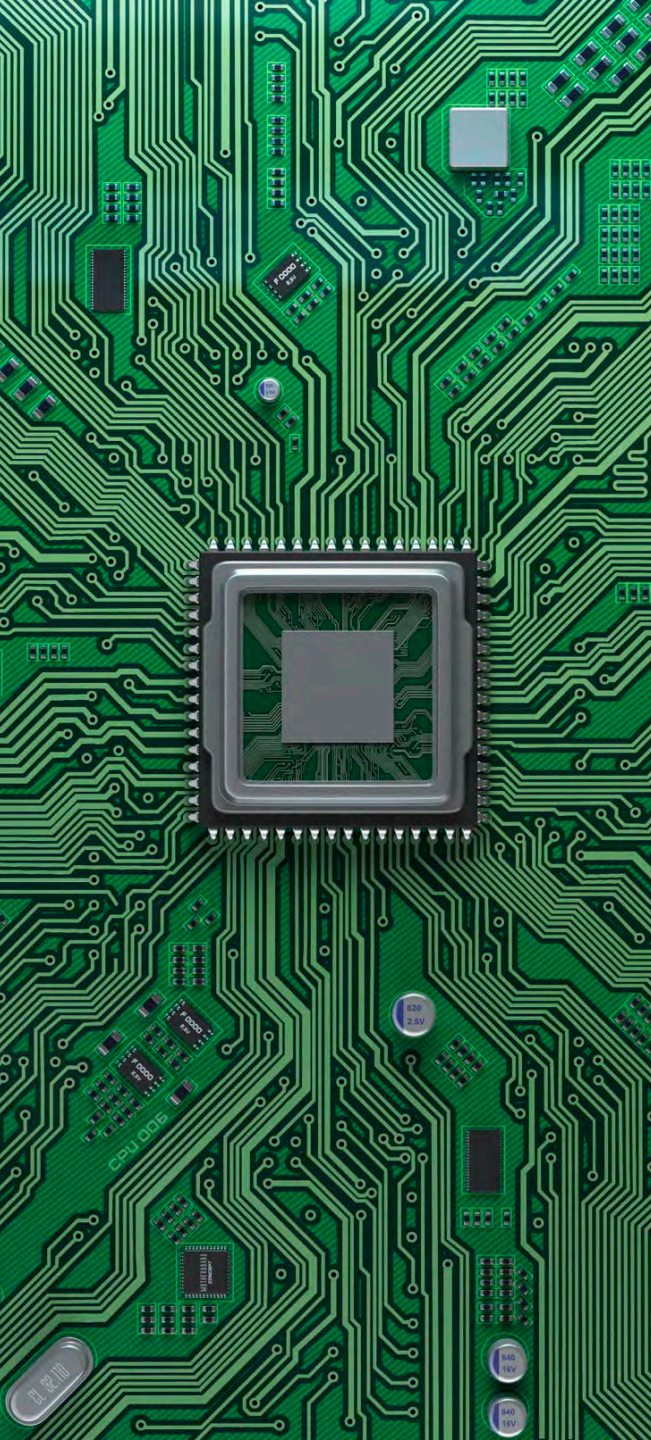External Networks and Employment Brand

Communities of Expertise

Vendors

Workforce Data & Insights

HR ONLINE/MOBILE EXPERIENCE

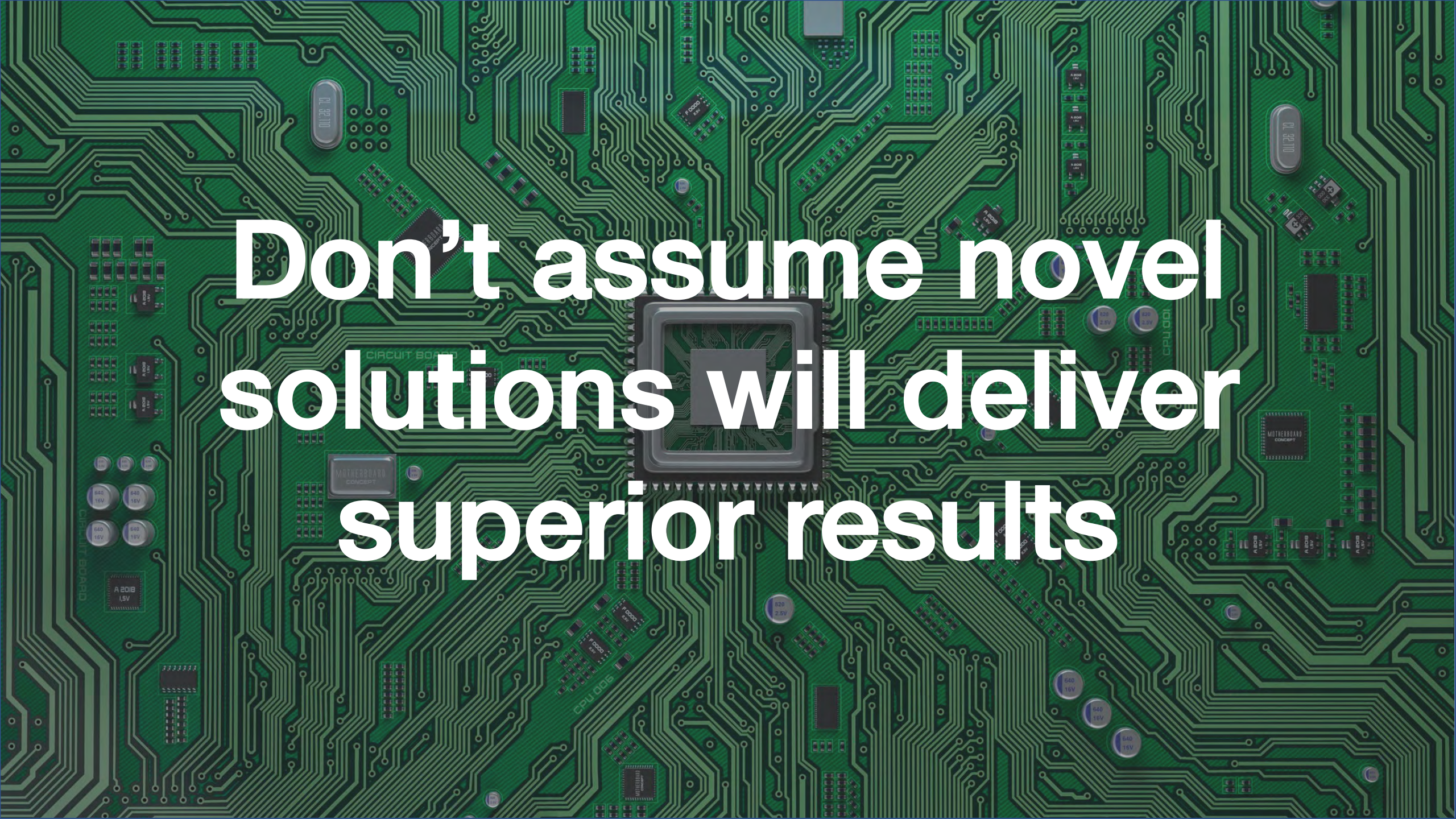ENABLING HR TECHNOLOGY

EY

Deloitte.

Which means that . . .

Every proposed Op model reduces to:

- A set of specialized resources

- A set of client interfacing resources

- A set of efficiency resources

(A few suggest a "resource pool")
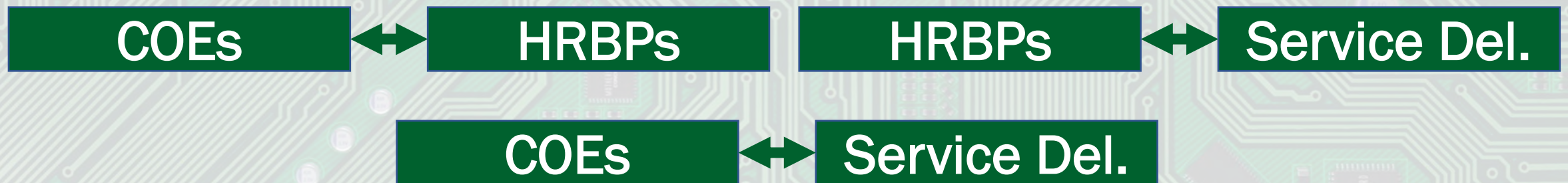
All models come back to Ulrich

Don't assume novel solutions will deliver superior results

And for the boring, hard & essential part . . .

4. How will the work of HR get done?

- Exactly how will this model work?

- Rarely detailed so frequently in conflict
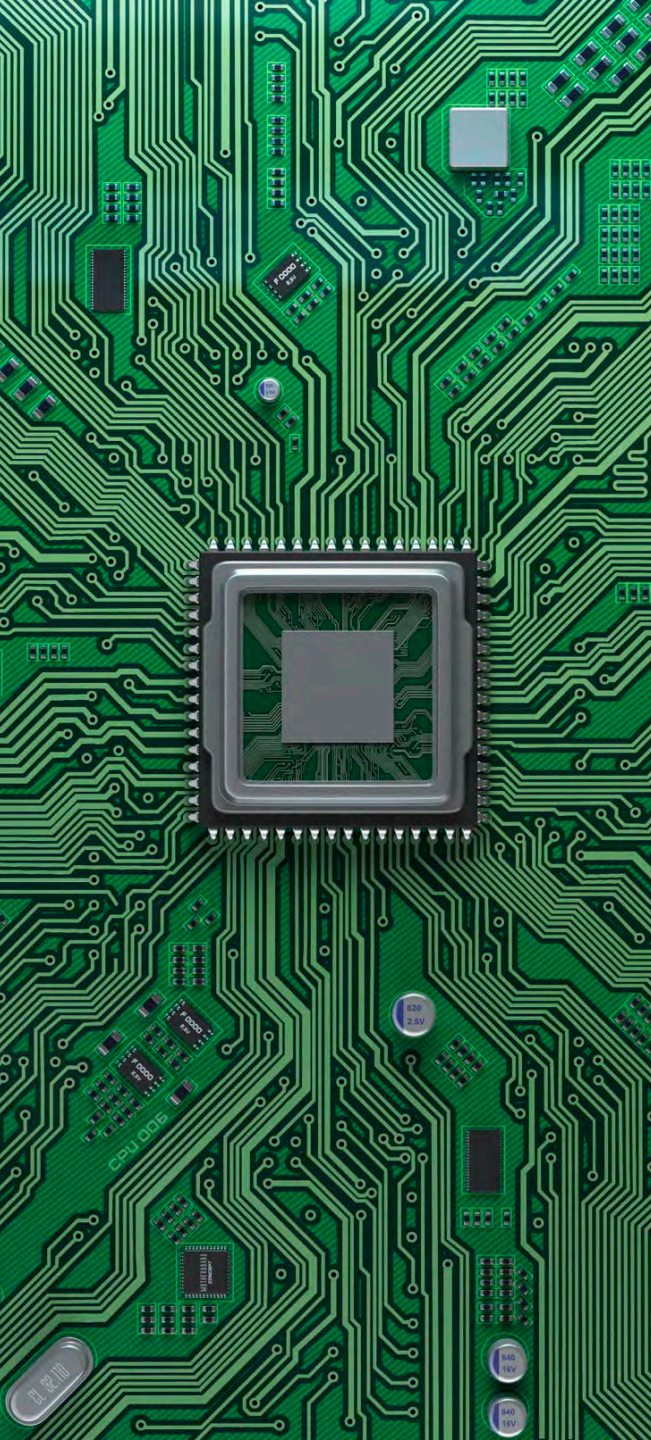
- ~~"I have a smart team. They'll figure it out."~~

Specifically, how do . .

| COEs | ⬌ | HRBPs | HRBPs | ⬌ | Service Del. |

| COEs | ⬌ | Service Del. |

Performance Management

Goal Setting

Talent COE	Regional Talent Lead	HRBP or Assignee	Service Delivery
• Determines design of goal setting process including number of goals, goal structure, cascade process, etc. • Creates all templates for goal setting, working with HRIS to ensure fit with Workday • Determines goal-setting calendar in consultation with HRLT • Designs all training material for goal setting • *(Continued)*	• Coaches BU on goal setting using material prepared by the Talent COE • Advises HRBP on meeting unique needs of the BU • Reviews select leaders' goals for quality; coaches to improve where needed • Coordinates with BU HR to get goals into Workday • Designs any BU-specific training or communication needed • *(Continued)*	• Owns the success of goal setting in their BU • Consistent with COE timing, communicates the process within the BU • **Serves as first line of service for questions about goal setting (cascaded to HR specialists as appropriate)** • Monitors system entry rate and follows up with BU leaders • Audits 20% of goals and provides feedback • *(Continued)*	• Works with Talent COE to design materials storage and access, including inclusion in apps • Provide Tier 0 support through placement of resources in HR app and on-line • Provides Tier 1 service on basic goal setting questions • Provide Tier 2 service on specific goal quality construction • *(Continued)*

How will we assess the execution of our HR Operating Model?

- If you aren't measuring, you don't know if it works
- Three groups matter:
  - **Sr. Leaders:** Annual interview with HRBP using a framework comparing to the mission
  - **Employees:** Survey measuring the designed experience vs. the actual experience
  - **HR:** Structured measurement quarterly against key metrics; HRLT channels voice of their teams

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Now we need your support.
Our HR Operating Model research starts today!

Questions?
Thoughts?
Reactions?