Evolving HR
From Partner to Anticipator

How Do HR Professionals Contribute to Business?

18% Anticipator
Uses data to predict talent gaps in advance; provides insights about how talent relates to business goals.

60% Partner
Openly exchanges information with the business about current issues; collaboratively works toward mutual goals.

22% Reactor
Ensures compliance with policies/practices; responds to business needs by providing tools/systems when asked.
Get Strategic, Sooner

Which is more critical to business success: strategy or the talent to execute it? Assuming they are equally important suggests that hiring and nurturing talent and conducting strategic planning should be done simultaneously, as one process. Yet, only one in four HR respondents reported participating early in strategic planning. The other three either were not involved or were asked to develop talent plans after the strategic planning process.

HR’s role needs to continue to evolve. For at least two decades, the challenge for HR was to move from being administrators or reactors to being business partners. HR units worldwide have made that shift. As shown in the illustration at left, 60 percent of our HR sample classified themselves as “partners.”

It’s now time to raise the bar for HR, to take on a new role we call “anticipator.” Anticipators are always looking for what might come next. They work with the business to predict future talent gaps, and then strive to close the gap. They are able to proactively advise leaders on the probability of their strategies succeeding based on available talent and its quality. However, as the illustration at left shows, fewer than 2 in 10 HR professionals place themselves in the anticipator category.

We also examined when HR gets involved in the strategic planning process—early, late, or not at all. As the illustration at right shows, anticipators are far more likely than their partner or reactor counterparts to be part of their organization’s strategic planning process. That involvement pays off big for their organizations, which are three times more likely to have stronger leadership bench strength and over six times more likely to have exhibited strong financial performance than organizations in which HR’s involvement in the planning process occurs late or is nonexistent.

While anticipators and partners generally are likely to use similar leadership practices, anticipators do six things differently than partners or reactors. Anticipators:

• Put a stronger focus on programs that foster employee creativity and innovation.
• Are more likely to position leadership development as an integrated journey rather than an independent series of events.
• Are more likely to institute negative consequences for managers who fail to develop their leaders.
• Help ensure that a higher percentage of leaders are promoted from within.
• Help leaders be more ready to meet the CEO challenge of human capital.
• Are much more likely to use advanced workforce analytics, particularly those that involve forecasting future talent needs.

Now What

.01 Recognize the benefits and limits of an HR partnership orientation. Anticipators take a distinct approach to talent management (as described at left), which extends their influence and unlocks new forms of value for the organization.

.02 HR needs to build a case for earlier involvement in strategic planning. Several organizations have done this with a set of practices called “strategic workforce planning,” which focuses on building future talent capacity tied to business goals.

.03 HR needs to become more knowledgeable and self-aware in using talent analytics, including building specialized roles within their team. Analytics provide the data to more accurately predict talent needs as well as determine what works to close any talent gaps.

.04 The skills and knowledge that got HR to where they are today probably won’t be relevant in the future. HR needs to be in a constant learning mode to avoid obsolescence. The role of human capital management will change more in the next 5 years than it has in the past 30.

Who’s Most Connected to Strategic Planning?

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage Strongly Connected to Strategic Planning</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anticipator</td>
<td>43</td>
</tr>
<tr>
<td>Partner</td>
<td>26</td>
</tr>
<tr>
<td>Reactor</td>
<td>5</td>
</tr>
</tbody>
</table>