

## **Building an Effective HR Function**

Over the past decade, HR functions in the world's leading organizations have begun the transformation from service provider to strategic business partner, helping senior management deliver better bottom line results. Known as innovators within the industry, they have better relations with their internal customers, achieve lower costs and are tackling tomorrow's priorities. These organizations sustain change to achieve true transformation in what HR professionals do, how they do it, and how much time they spending doing it. In short, they rethink the work of HR with a greater focus on value and value creation.

However, despite the proven benefits of a more strategic HR function, many organizations remain stuck on their road of HR transformation. Saddled with investments in new technology and processes, they are struggling to realize the strategic and financial benefits of a 21st century HR delivery model.

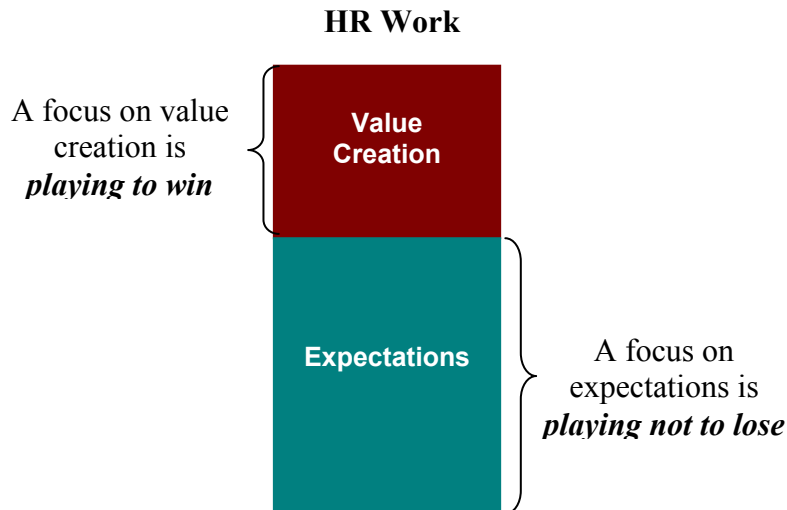
### **The HR Value Proposition**

In many organizations, there is a lack of understanding of what the HR function can bring to the table. This is a challenge not only for business leaders but also for HR professionals themselves. HR leaders must be able to articulate what value the function creates for the business and deliver on it.

It's also important to understand that value is an outcome the organization is willing to pay for; while an expectation is an outcome the business requires but it is not something worth paying for. HR is often penalized for not meeting expectations but there is no reward for exceeding them.

Many organizations lack clarity and understanding of the HR value proposition, and therefore often focus on becoming more efficient at those functions HR have historically been expected to perform, rather than looking to new break ground. Successful transformations occur where the HR team

understands they need to grow and develop their role in order to benefit the organization, rather than simply improving what they already do.



### ***The Six Value Drivers of HR***

Through our research and extensive work with clients, Hewitt has learned that strategic HR functions and professionals create value by facilitating in the achievement of six key outcomes within their organization.



### ***Delivering on the Desired Outcomes***

HR innovators drive business processes, including people practices and programs, to provide these six outcomes for their internal customers. In order to ensure the right people are doing the right things right, HR needs to transform the following areas:

- governance;
- structure;
- skills; and
- metrics.

To ensure your organization is on the road to housing a strategic HR function, please contact [Nousheen Jalal](#).

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