Integrating OD with Strategic HR
The Ultimate Strategic Business Partner

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“I believe the coming together of OD and HR is long overdue. I say coming together because OD and HR should not be content merely to be siblings living under the same roof. We need to leverage our different strengths for the greater good.”

David Hanna, 2010
Agenda

• What’s driving the integration
• Focus on being strategic
• The mindset shift
• Strategic business partner model
• Challenges and implications for the future
**Nature of Changes Driving Toward Integration**

- New, unprecedented business challenges, issues and opportunities
  - Global, virtual
  - 24/7 & speed
  - New & changing markets
  - Adaptability & agility challenges
  - Blurred industry lines
  - New organizational forms
- Organization leaders deciding what they need and what belongs together
  - Know what need, don’t care what it’s called
  - Most think of & organize HR & OD together
- Shifting importance of factors in strategic and competitive advantage equation
  - Financial & technical have become more universal
  - Physical plant & real estate often less important
Nature of Changes Driving Toward Integration

• Today’s challenges and issues are making human capital more critical to success

What are some of the challenges and issues you’re facing today that highlight the importance of human capital?

✧ Role of talent (equal or greater than other resources)
✧ Role of learning (as skill needs change rapidly)
✧ Role of technology (in work and performance)
✧ Role of change (becoming continuous and inclusive)
Group Activity

In Small Groups
Discuss your experience with how HR and OD are responding today.

1. How is HR responding?
2. How is OD responding?
3. What's working?
4. What's not working?

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Why Now?

- Hanna (June, 2011) “It’s the perfect storm.”
- HR & OD need to become more strategic
- HR & OD need to be integrated better within the business
- Critical aspects of basic HR operational functions need high quality execution
- When HR and OD co-exist in the same function there needs to be a design and partnership that allows strategic work to be done
Becoming Strategic

Becoming strategic involves thinking in these ways:

- Wholeness - synergy (not individual parts or units)
- Relation to organization’s mission & strategy
- Contribution to how the organization’s “business” works
- Value added with strategic impact
- Longer time horizon - future
- Connections to organization environmental influences
## The Mindset Shift

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
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</thead>
<tbody>
<tr>
<td>• This is the way we’ve always done it</td>
<td>• Taking a risk and thinking differently</td>
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<td>• Managing workloads &amp; providing services</td>
<td>• Leading the human capital function</td>
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<tr>
<td>• Policy enforcer</td>
<td>• Influencing and resolving strategic issues</td>
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<tr>
<td>• HR professional /business partner</td>
<td>• C-suite strategic business partner</td>
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<tr>
<td>• Focus on tracking operational metrics</td>
<td>• Demonstrating ROI in the business</td>
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<td>• Annual HR planning and budgeting</td>
<td>• Strategic organizational planning</td>
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<td>• Stability and consistency</td>
<td>• Out of the box thinking, problem solving</td>
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11/3/2011
Strategic Business Partner

- The Critical Role
  - Bringing strategic HR conversations to the business
  - Leveraging organization development
  - Understanding and speaking the language of the business
  - Developing partnerships

“The Strategic Business Partner is a lead role needed to bridge, interface and integrate with the business and provide a different relationship and value.”
Strategic Business Partner

Strategic HR

Partnership

Understanding Business

Foundational OD
### Strategic Human Resources

<table>
<thead>
<tr>
<th>Talent management (sourcing, development, succession, changing workforce, etc.)</th>
<th>Diversity, inclusion; global-cultural implications</th>
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<tbody>
<tr>
<td>Changing skill needs; learning strategies</td>
<td>Leadership requirements</td>
</tr>
<tr>
<td>Performance management &amp; productivity</td>
<td>Employee engagement</td>
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<tr>
<td>Total rewards</td>
<td>New metrics, analytics, score cards</td>
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<tr>
<td>Organization health &amp; effectiveness</td>
<td>Re-design of HR operations, excellence, cost management</td>
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<tr>
<td>Risk management; strategic compliance</td>
<td>Use of new technologies, social networks</td>
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## Foundational Organization Development

<table>
<thead>
<tr>
<th>Whole systems thinking &amp; change</th>
<th>Organization assessment</th>
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<tbody>
<tr>
<td>Group, inter-group &amp; team dynamics; live &amp; virtual</td>
<td>Consultative, facilitative &amp; coaching processes</td>
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<tr>
<td>Change theory &amp; process</td>
<td>Culture dynamics</td>
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<tr>
<td>Strategy development &amp; implementation</td>
<td>Conflict management</td>
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<tr>
<td>Leadership development</td>
<td>Human-technology interfaces</td>
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<tr>
<td>Organization &amp; work system design</td>
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## Business Understanding

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<thead>
<tr>
<th>Strategic intention</th>
<th>Supply chain &amp; customer relations</th>
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<tbody>
<tr>
<td>‘Business of the business’</td>
<td>Community, social responsibility</td>
</tr>
<tr>
<td>Industry, markets, competition</td>
<td>Globalization impact</td>
</tr>
<tr>
<td>Environmental trends; opportunities &amp; threats</td>
<td>Stakeholder/shareholder management</td>
</tr>
<tr>
<td>Value chain &amp; proposition</td>
<td>Financial models &amp; management</td>
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<tr>
<td>Sustainability &amp; practices</td>
<td>Innovation &amp; growth</td>
</tr>
<tr>
<td>Partnership</td>
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<tr>
<td>Relationship &amp; trust builder</td>
<td>Clear expectations with feedback loop</td>
</tr>
<tr>
<td>Sales mindset – discovery, understanding the issues, problem solve, advocate</td>
<td>Mutual responsibility &amp; accountability; mutual interest in achieving results</td>
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<tr>
<td>Mutual influence; respect</td>
<td>Facilitate interaction</td>
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<tr>
<td>Bring a point of view; add value</td>
<td>Collaborate as equals</td>
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<tr>
<td>Communicate. listen &amp; coach each other</td>
<td>Visible, accessible &amp; engaged</td>
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Group Activity

In small groups, discuss these two questions

1. What are the challenges in establishing and operationalizing the Strategic Business Partner role?

1. What should HR and OD be doing better or differently to achieve integration?
THANK YOU!

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