

News release

Hay Group study finds human resource professionals struggling as strategic business partners

Inefficient processes and disconnected disciplines holding HR back

May 30, 2012 (New Delhi) – Human resource professionals are making slow strides in becoming strategic business partners within their organizations, according to new research *Next generation HR* from [Hay Group](#), the global management consultancy.

Only 34 per cent of those surveyed believe HR is making a significant strategic contribution to their organization; most (60 per cent) positioned themselves somewhere in the middle, confirming that there's still much room for improvement.

The research, which surveyed over 1,400 HR professionals and senior management from around the world, found that the cost cutting and efficiency priorities – introduced to weather the economic storm of recent years – have now evolved to a focus on driving performance and growth. Meanwhile, the emerging HR concerns for the years ahead lie around developing the workforce and ensuring the right people are in the right roles and doing the right work.

Hay Group research highlights that building a workforce for the future is the growing priority:

Last 5 years	Now	Next five years
1. Complying with HR legislation	1. Improving employee engagement	1. Developing future leaders
2. Reducing employee turnover	2. Enhancing individual and team performance	2. Ensuring greater return on investment through people
3. Increasing productivity and 'doing more with less'	3. Increasing productivity and 'doing more with less'	3. Attracting talent
4. Reducing people-related costs	4. Attracting talent	4. Efficient workforce planning
5. Creating more effective performance management programs	5. Developing future leaders	5. Enhancing performance / creating more effective performance management programs

News release

“As market demands continue to change, organizational success will hinge on HR’s ability to connect human capital decisions with business strategy. HR will need to stop clinging to traditional processes and inefficient silos and move toward an integrated approach that links work and people to business results. Such change is critical if HR is to transition to its rightful place of strategic business partner,” said Phil Johnson, Hay Group’s global head of work measurement.

However, respondents report that there is still significant misalignment across HR disciplines:

- Only 40 per cent say work measurement and talent management processes are closely aligned
- Even fewer (36 per cent) say talent management and organizational effectiveness are closely aligned
- Slightly more than one-third (39 per cent) say they have moved away from traditional silos, but this leaves 61 per cent that haven’t – or worse still, are unsure.

The research highlights how HR will lag behind management expectations if a holistic approach to people management - based on a framework of understanding work - is not adopted. Jobs are at the heart of HR processes, therefore it’s crucial to analyze work if people resources are to be best deployed to deliver on business objectives.

Despite 76 per cent of respondents saying they use a formal work measurement system, the research suggests that many organizations are not seizing upon the full potential or making the most of their investment.

*“Organizations are largely looking at work measurement systems to align their rewards and grading architecture, which is a sub optimal use of such a powerful organization effectiveness mechanism,” says **Sridhar Ganesan, Practice Leader, Rewards Services, Hay Group, India.** “We are seeing a major shift among our Indian clients who want the work measurement system to be a platform that would also anchor different HR processes such as succession planning, career pathing, organization design review, etc. A holistic approach to work measurement can feed enormously into strategic decision making with respect to the organizations. Having a seamless approach to understanding work and people is what next-generation Strategic HR will be all about.”*

For more information on Hay Group’s work measurement services, please contact:

Nidhi Mehra Kapoor

Email: nidhi.mehra@haygroup.com

Mob: +91 (124) 417 7400

News release

About [Hay Group's work measurement approach](#)

Hay Group offers clients a portfolio of work measurement tools, all underpinned by a holistic understanding of work that goes beyond job titles and descriptions to understand work in all its dimensions – human and structural.

Based on more than 60 years helping clients, Hay Group recognizes that many organizations miss out on the real value of understanding their work which is why we developed Hay Group Spectrum – a unique offering that makes it possible for clients to use work measurement as the foundation for connecting jobs, people, structure, pay and performance.

About [Hay Group](#)

Hay Group is a global consulting firm that works with leaders to transform strategy into reality. We develop talent, organize people to be more effective, and motivate them to perform at their best. With 85 offices in 48 countries, we work with over 7,000 clients across the world. Our clients are from the private, public, and not-for-profit sectors, across every major industry and represent diverse business challenges. Our focus is on making change happen and helping people and organizations realize their potential.

###