



Q&A: How to Build Strategic HR Capability

By Joe Hanson, Victor Agruso

Victor Agruso is Senior Vice President for Organization Effectiveness at Trinity Health, a \$20B healthcare provider based in the United States. He oversees the company's organization design development, talent management, talent development, HR planning and analytics functions. Recently, he sat down with Joe Hanson, a partner at The RBL Group, and talked about how to build strategic HR capability.

Joe Hanson: Could you describe the "ideal" strategic HRBP in today's world and what impact they have?

Victor Agruso: When I think of the core accountabilities of the business partner, first and foremost I think about understanding and contributing to the business itself, almost as if they are a line executive. At the highest level that means being an integral part of the C-suite and really thought of as

responsible for shaping and leading the deployment strategy. So very much a business person.

Building organization and HR capabilities is another core accountability for this role, in my opinion. I think strong business partners are adept at balancing both internal as well as external considerations. Internal within that stakeholder group of employees and those within the firm. But externally, as well, with stakeholders in the community, and partners, and even customers.

Being a champion of culture and change I think is core to this role. And, beyond just the process side of it, but actually taking on results oriented, line mindset role to champion change. It's important.

There are the fundamentals around managing talent and performance and rewards; so, those are the strategic support side of HR, but very much core to this function, in my opinion.

I think having a high degree of **credibility** and reliability within the company for HR expertise is core to this position. You have to be a trusted partner and viewed that way, based on your experience and in the accomplishments that you've made.

Leveraging technology and analytics is also foundational to a business partner role increasingly on the digital side. Then, in my opinion, not directly accountable, you certainly have to be able to oversee the transactional side of HR in terms of service, efficiency and compliance with policy

is also attended to. We'll talk a little bit more about that later and the difference between the HR business partners role versus the other platform roles within HR but certainly in that role, you have to make sure that that's happening.

Joe Hanson: When you think now about HRBPs moving from a more generalist background, what are the two or three critical capabilities now in this new environment that the business partner needs?

Victor Agruso: Maybe they share a working knowledge of the full range of HR practice areas, I think that's important. Having said that, I think the stronger business partners are actually much deeper on the applied expertise in strategic HR support work. So, HR planning **development**, organization design development, talent development, talent management, those disciplines are the ones that I think strong business partners are deeper in than the traditional generalists and where they spend the bulk of their time.

I think that line executives have a much greater expectation for business partners to directly shape and achieve a company's corporate business and operational strategies. I don't think that's an expectation for generalists, but I do think for business partners, it is. And then, the best use of the HRBP's time is to provide those kinds of services to those within the company who are directly accountable for design or leading the implementation of those strategies. So, typically these would-be senior directors and above whereas generalists more often than not find themselves spending time in all areas, but a lot of time with managers. I can talk a little bit later about how managers get attended to in this model, but I think the bulk of the time of a business partner is spent with those who create and implement strategies.

Joe Hanson: So, let's contrast that in that role now with the traditional generalist. What's the role of the generalist as opposed to the strategic HRBP?

Victor Agruso: We've actually shifted that role—we don't have generalists anymore. We have taken the ad hoc requests that management may have and said that they

can be handled through a service center or directly through a center of expertise focused on employee relations. We believe the functional expertise around employee and labor relations can also serve in the triage resource to manage the questions that can't be addressed directly with the COE or the service center. So, in our model today, we've actually done away with the generalist role and title and vested that accountability as a role bolted onto one of the centers of expertise.

Joe Hanson: When you think about the skills needed for an HRBP, what kind of development comes to mind?

Victor Agruso: In terms of the key development drivers for an HRBP to be successful, I think that at bare minimum they need to operate at what we call stage three. In other words, somebody that is really comfortable contributing principally through others. So, even though they may have technical work and will have technical expertise as an individual contributor, they're going to spend the bulk of their time getting things done through other people. So, for those that are still in the independent contribution mode, the business partner role is not a good fit. That's one key development focus.

I think one of the toughest ones is a career decision for business partners: Can they let go of operational accountability for service center-type functions or for COE-type functions? Can they let go of all the day to day operational requirements? Can they truly function as almost an internal advisor and consultant? Even though those resources are aligned to them and they are a part of a strong "dotted line" relationship, not having direct operational accountability for them is something that is challenging for a lot of HR professionals.

Third, I think you've got to have an owner's mindset, a P&L mindset to succeed in this job. It's a key development driver, if you don't understand profit and loss or how to grow profitably, then you're just not going to do as well.

Lastly, I said this before, but I think it bears repeating. I think you need exceptionally strong change leadership skills. Operational results, it's great to be a process maven and have expertise

around process and facilitation, but I think the best business partners actually get things done operationally. Those would be the key ones.

Joe Hanson: Terrific. Finally, let's reflect now back on you and your career. What two or three pivotal experiences did you have in your career that led you to where you are today?

Victor Agruso: I guess for me it started with education. I had a liberal arts undergraduate degree in Psychology and English. I did my masters work in Education with an Organization Design and Development focus. And then I got a master's Theological Studies, believe it or not. I think that liberal arts orientation, plus the graduate training and the strategic support aspects of HR had a strong impact on the direction that my career took and my current position with a mission-based healthcare was a great way to blend all those things.

The second key experience was that I have been a CHRO so I learned early on how to direct the full range of HR functions and operationally and really understand HR support services and that was really important. At the same time, I was a consultant for many years to emerging growth companies and the Fortune 100 across multiple industries. I think these experiences with diverse company sizes and industries was really useful. So serving in internal corporate executive and external management consultant roles brought useful and different perspectives on what it's like to be on the inside as well as trying to make things happen from the outside.

And then, lastly, I've co-founded companies, including an HR software as a service firm. So, I know what it's like to capitalize and build and operate and even sell business. So, again back to that owners and P&L mindset I think that's increasingly helpful to being successful in HR today. Those would be the key ones, Joe.

Joe Hanson: Terrific. Finally, let's reflect now back on you and your career. What two or three pivotal experiences did you have in your career that led you to where you are today?

Victor Agruso: I think it's really important to stay fresh, to keep learning. Our

profession is a science and I know it's easy to rely on early experiences in training and then just learn from what you do on the job. But I think that limits your effectiveness. I think it's absolutely important to stay fresh and to keep reading and to keep abreast of what's happening, particularly around the digital economy. There's so much changing and so staying up on that and being relevant is super important. And then, as you craft your career journey, try to do both. I think it's important to serve in a consulting capacity. I think it's important to have operational accountability. So,

to the extent that you can get both those experiences in your career, that's important. As is other kinds of diverse experiences—industries, company size, union/non-union environments, etc. I just think that depth and breadth of experience is helpful when you're doing HR work today.

*Our thanks to Victor Agruso for his expertise in this area. If you are looking to build strategic HR capabilities on your HR team, RBL's new **Dave Ulrich HR Academy** is now available. Or, you can [contact us](#) to discuss your specific needs.*

Visit our insights page to find more information related to the content of this paper.

Send us your thoughts or questions regarding the content of this paper.



rblmail@rbl.net