

“Can HR and OD successfully co-exist inside large organizations? Or will the two functions inevitably clash over competition for the same internal clients, projects, resources, skill sets, and seats at the table?”

Compete, Coordinate, Collaborate

Journeys in OD–HR Partnerships

By Deb Peluso

OD Consultant: “We heard that Logistics wants to create a new leadership and mentoring initiative to support their succession planning program. We might be able to assist, share some of our tools, and at a minimum help them think through what they are planning to do. Can you help set up a meeting with the leadership team?”

HR Business Partner: “I appreciate what you are trying to do, but we’ve been meeting with them on this topic for a while. I’ll let you know if we need OD’s help on anything.”

To anyone who has ever worked inside an Organization Development (OD) or Human Resources (HR) function for a large organization, this conversation might sound familiar. It represents an occurrence where OD and HR skill sets, interests, and desire to help on important client projects may overlap. It also hints at potential friction, turfdom, and competition between two functions that are often positioning themselves to be strategic business partners to the line divisions they support. Ever since David Ulrich (1997) inspired a revolution by advocating that HR stop talking about “what it does,” and instead focuses on “what it delivers,” this overlap, and sometimes tension, between OD and HR inside organizations has only continued to grow. In addition, there is an erroneous attitude within the HR community that modern day strategic HR only includes the type of work that OD and HR business

partners typically perform. Unfortunately, this view dismisses the importance of both the employee advocate and administrative expert roles in HR organizations (Ulrich and Brockbank, 2005), and further fuels competition between OD and HR for getting the infamous “seat at the table.”

Can HR and OD successfully co-exist inside large organizations? Or will the two functions inevitably clash over competition for the same internal clients, projects, resources, skill sets, and seats at the table? This article chronicles the journey of helping evolve OD functions that could collaborate with HR inside two large Midwestern companies, from the perspective of a former internal OD practitioner in both organizations. In one company, the OD function reported up through the line operations that it supported. In the second company, the OD function was an outgrowth of the training and development group, which was housed within HR. In both cases, the OD teams had to avoid the impulse to compete with HR, and instead embrace coordination, which eventually resulted in mutually beneficial collaborations. In both organizations, partnering across OD and HR yielded more opportunities to work across divisions and customers, design and facilitate meaningful interventions, and ultimately positively impact performance.

This article will explore the strategies, tactics, and lessons learned from helping build OD functions in each company. In addition, the article will highlight organization design implications for how each company’s OD function differentiated its work

from HR, yet built integrative mechanisms to coordinate and share information with its HR counterparts.

Practicing OD on the Inside

There are as many definitions of what OD is inside organizations as there are interventions one could design for clients. In some organizations, the OD department is an outgrowth of the traditional training and development function, and may be responsible for other types of individual interventions such as coaching, leadership development, and mentoring. In other organizations, OD reports directly to senior management and may focus on system-wide interventions such as strategic planning, change management, and organization design. Still a third model I've seen in organizations is that of a function that focuses on work process and performance improvement, project management, and group development and facilitation.

Although there always seems to be a debate within the OD community on what constitutes OD work within organizations, I have found that this discussion is often irrelevant. Consumers inside organizations are not interested in theoretical debates,

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but rather how their groups will benefit from services provided. In the organizations highlighted below, each OD function provided some level of individual, group, and whole system intervention, and each type of structural relationship had implications for OD-HR partnerships. In addition,

my viewpoint is that OD and HR can successfully coexist, provided that the right foundation is in place to allow each function to do its best work.

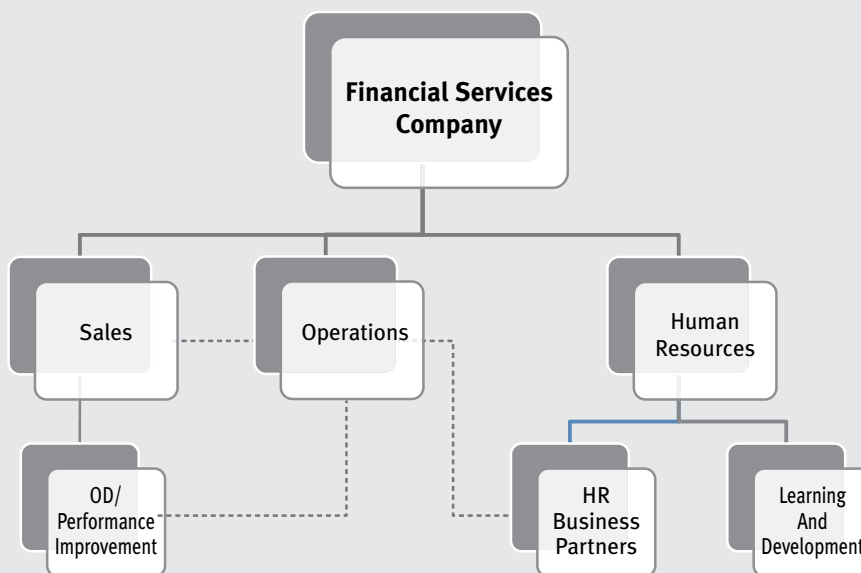
CASE STUDY 1: OD within the Line Operations in Financial Services

As an employee of a large, complex financial services company, I had the opportunity to join a very powerful and respected OD group that aligned to the sales and operations functions within one of the major lines of business. This group provided technical training, performance improvement, project management, change management, group facilitation, leadership development, and technology-enabled learning and collaboration tools.

Each service was designed and delivered for a specific audience within line operations, as opposed to general programs and offerings that were available through corporate HR. Sales and operations leaders saw this OD function as a partner and resource to help them improve the business, and as such, owned the budget and the headcount for the function. Senior executives also served on an advisory council, examining their combined support requests and adjusting priorities for the OD staff's assignments in light of ongoing business conditions and needs.

Because the OD group enjoyed the full support of line operations, it seemed easy to gain access to and develop relationships with key stakeholders, participate in important projects, and get resources when necessary. However, the relationship with HR was sometimes challenging. HR also had both a learning and development group and a newly forming change management group, and they were working diligently to have an impact and seat at the table. One complicating factor was that the division of work between the OD and HR groups was not formally articulated, and coordinating mechanisms (e.g., meetings, committees, information sharing sessions, repository of shared materials) were not in place with HR. Political relationships between the leaders of the two functions were tenuous at best, which impacted the ability

Figure 1: OD and HR Reporting Relationships in a Financial Services Company



of subsequent layers of staff members to develop good working relationships with one another. The result was that the two groups did not necessarily work together closely, and each group made assumptions about what the other group's work included and where the lines and boundaries were (or should be) between responsibilities. Despite these differences, there were several ways in which OD and HR were able to develop relationships over time to deliver results to joint customers.

Career Development Paths. An OD project team was asked to support the development of an online career development resource that line operations employees could use to understand potential career paths within the sales and operations functions. Since OD designed, developed, and delivered the requisite technical training, staff members were very familiar with the skills needed to succeed in various positions. For example, what successful claims agents needed to know and do while performing a claims investigation (e.g., how to verify the timeline and facts of an incurred loss, techniques for interviewing key witnesses, red flags that could indicate potential insurance fraud) was well understood and documented. OD also had a sense of general skills that a person needed to have to do these technical steps and procedures well (e.g., written and oral communication, ability to build relationships, curiosity for asking questions and digging deeper into a situation). We also had mounds of data pointing towards typical career paths that people took within the organization, and what types of jobs were, in essence, prerequisites for other types of positions.

As OD began working on this project, a staff member in HR who heard about the effort called the project leader. He wanted to ensure that the project would align to HR's company-wide job competency model. He educated our team on HR's efforts to conduct a thorough job analysis, tie key competencies to each job and pay band, and provide online resources that would help people develop these critical skills. Furthermore, the HR representative demonstrated how the selection system was partly based on a corporate

competency model, as candidates for internal positions would be asked situational interview-type questions based on these competencies. HR did demonstrations of their self-paced learning modules for employees wanting to work on skill development in these areas. We realized that while OD had the best repository of resources in the company on technical skill development, HR was truly the resource for "soft skills" gathered through their job analysis and competency modeling efforts.

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We realized that while OD had the best repository of resources in the company on technical skill development, HR was truly the resource for "soft skills" gathered through their job analysis and competency modeling efforts. Because of this coordination of efforts, the resulting online career path product was better than we ever imagined. It focused on the technical skills necessary for career progression in line operations, yet contained links to the online job competency resources. The result was a seamless, integrated interface for the employee that contained information and development tools for both "hard" and "soft" skills necessary for job success.

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Building a Community of Practice. OD learned from the career development paths project that HR had something to offer our customers, and that together the two groups could provide a more holistic solution if we could figure out how to work together. This early coordination led

to more conversations about what we had in common, and what differentiated our work. For example, the HR group was not staffed to provide in-depth diagnosis and intervention design, and we were. Because of this awareness, HR was better able to refer customer challenges and issues to us, while developing an internal reputation as a resource center. In a similar manner, OD purposefully stepped away from developing any type of soft skills training without first seeking resources from the HR area.

We learned from HR just how many other OD, performance improvement,

and change management employees were spread throughout the organization, some within headquarters and some within field operations, literally all across the country. HR managed the company-wide PeopleSoft database and could easily run reports on the nature and type of professionals there were in the company. Although the job titles, type and scope of work varied across these individuals, it was clear that neither OD nor HR central functions were providing the best support to colleagues located elsewhere. We decided that we could collectively do something about it.

The OD function decided to sponsor and host the first ever workplace learning, development, change, and performance improvement conference. HR was a partner in the process, as they helped identify employees across the country that should be invited to attend, and they sat on a

cross-functional design team to help plan the event. Conference invitees were asked to submit session topics and volunteer to speak at the event, and the conference was organized around various professional development tracks related to training design and delivery, online collaboration tools, change management, and performance improvement.

The event resulted in several positive outcomes. First, professionals in these disciplines came together for the first time to learn about one another's functions and resources that could be leveraged across the company. Second, communities of practice for each area began to emerge, first with email lists, then eventually with shared websites that contained resources, tools, models, and templates that were utilized across groups. Eventually standards emerged for things such as training manual documentation and branding, which could be agreed upon by the entire group. Workflows also emerged, so that everyone could be in agreement with how to request the support of a central OD and HR resource. In addition, the OD and HR functions now had contacts embedded in operations across the country to assist with projects and to use as subject matter experts when needs arose. The OD and HR functions, having introduced themselves to this broader community, then worked to further clarify the boundaries between their functions so that the extended network knew who to contact for what type of support.

Leveraging Common Skills. Following the devastating aftermath of Hurricane Katrina in 2005, operational personnel were deployed for months on the ground in southern US states handling claims and helping families try to weather the economic and emotional losses they faced. There were lessons learned from operating such a wide scale prolonged disaster operation, and sales and operations professionals wanted to come together to prepare for future hurricane response scenarios. With executive sponsorship, OD hosted a lessons learned conference that included more than 200 employees from across the country. We invited HR partners who were also

skilled facilitators to help facilitate table discussions and breakout sessions, or to attend as participants when they had first-hand knowledge of HR implications and issues that needed to be addressed moving forward. The two-day event inspired the formal launch of several disaster preparedness projects aimed at improving everything from communication protocols and equipment, to information systems, to training support for sales agents, and better company support for employees deployed long term on such assignments. Together, OD and HR received positive attention as functions that supported the business achieving better results, despite our historical challenges and sometimes uncooperative leadership.

**CASE STUDY 2:
OD within the HR Function
in Manufacturing**

Within the U.S. headquarters of an international manufacturing company, a new OD function formed as a subset of the larger HR organization. This group evolved from a traditional training and development function to broaden its services to include things such as change management,

leadership development, coaching, team development, large scale change, and organization design.

There had been a growing awareness over several years that the staff was not connected to the true needs of the business teams. Contacts with customers usually took the form of taking orders and filling requests, as opposed to providing diagnosis, feedback, and interventions targeted at the root causes of situations. HR leaders knew they needed more sophisticated tools and methods to support the organization. They also wanted to implement a more consultative, partnership-like model that worked similarly to the HR business partner role that was developing across the company. So HR leadership plunged ahead creating this new mission for the OD team, and we leveraged multiple tactics to roll out this new function in the organization.

Building a Community of Allies and Advocates. One of the first strategies the newly formed OD team conceived was building a community of allies and advocates. OD most feared that senior leaders would act in a business as usual manner, sending requests for services our way without first allowing us to collect data directly and

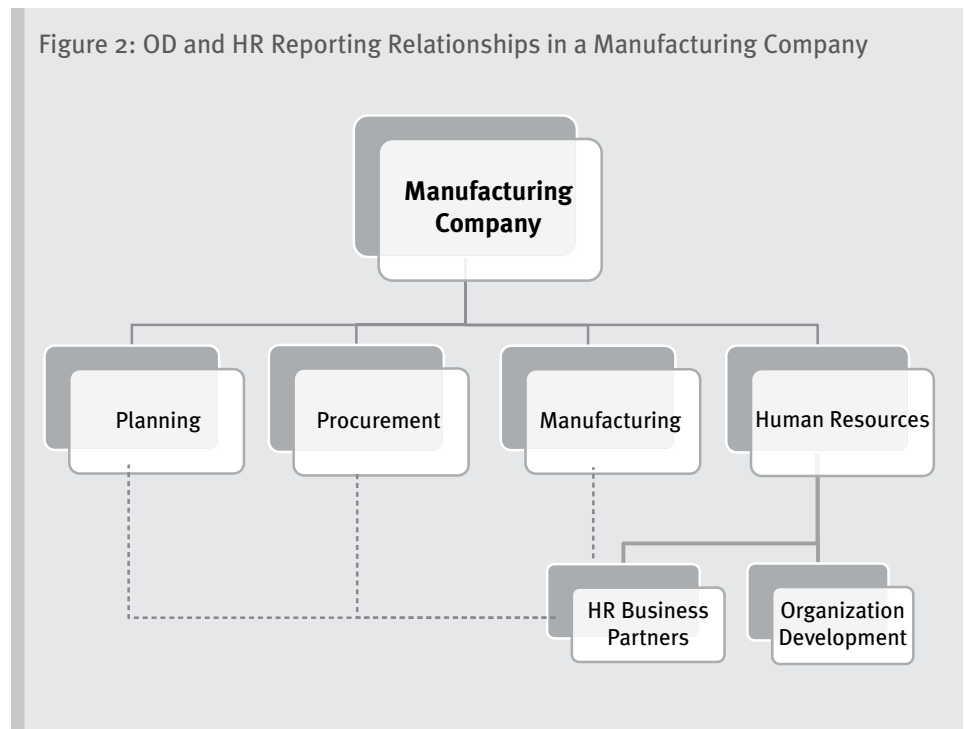
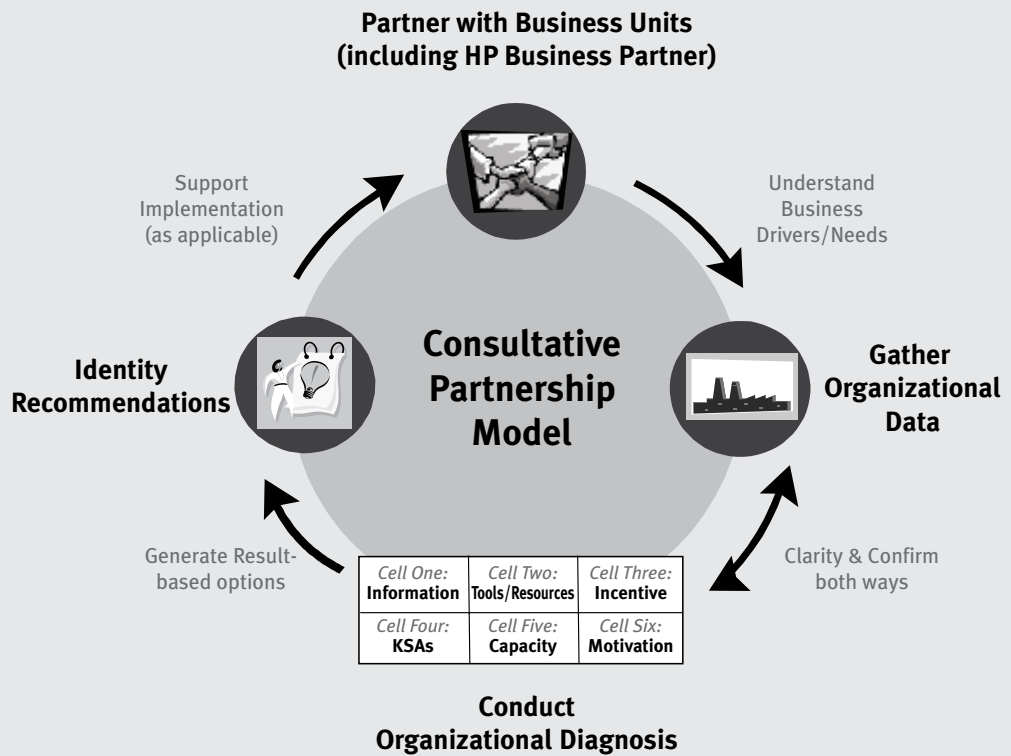


Figure 3: OD Consultative Partnership Model for Intake, Diagnosis, and Feedback



understand the situation. The department built their model of how a consultative partnership model might work, and then conducted one on one interviews with key HR and business leaders to explain the new approach and get feedback. Fortunately, this education campaign helped senior leaders begin using staff members differently than in the past, which included inviting them to early exploratory meetings with customers before the situation and solution were determined.

Forming a Joint Learning Community.

A second key strategy was forming a learning community with the HR business partners so that the work could be done in a complimentary, rather than competitive fashion. Together we explored theoretical foundations underpinning OD and HR work in topics such as adult learning, behavioral engineering (Gilbert, 2007), diagnosis, feedback, and data collection. The OD team exposed the HR generalists to Kirkpatrick's (1959; 1975) model of evaluation, which we used for not only learning and development, but change management applications as well. We discussed process consultation (Schein, 1999) and Peter Block's (2000) model of various consultative roles, such as "the expert," the "pair of hands," and the "collaborator," and when each of us might play different roles in different customers situations.

Our aim was to create awareness of what constituted OD in the new organization, the underpinnings of how the department would pursue its work, and the complimentary skill set that HR business partners brought to the table. We trained each other to ask probing questions, get the customers to focus on purpose and outcomes before discussing solutions, and to push back and ask the question "is this direction in the best interest of

the organization?" The resulting activity yielded an initial intake and diagnosis process flow that both HR and OD understood would help guide its partnership.

The HR business partners generally perceived this change to be a positive step, as described by one staff member:

My reaction to the rollout was happiness and excitement. Our customers were driving us to improve our services, and I knew to be successful it was going to take a partnership between OD and HR, not individual action. I was also excited to personally be learning more about OD. The only concern I had was to ensure that OD was working with us (HR) in partnership rather than going straight to our customer, which would result in catching us off guard with different projects. It was never good to find out about OD initiatives through our customers. I always felt like that made us look bad, like the right hand not talking to the left.

This statement reflected one point of contention that continued to challenge the OD-HR relationship over time: the idea of going straight to *our customer*. HR

struggled with the idea that their managers might call an OD staff member directly, without going through the HR business partner first. Indeed, as OD capability and credibility grew, this happened repeatedly. The OD stance was that the consultants would not ask for HR's permission to engage with customers directly, whether initiated by the customer or by the consultants. However, OD agreed to be diligent in keeping the HR business partners in the loop regarding meetings, discussions, and any ensuing work so that they would not be caught off guard in the process.

Application of Organization Design Principles to OD-HR Partnerships

In both the financial services and manufacturing organizations, productive OD-HR partnerships existed, regardless of the reporting structure within the organization. However, these partnerships were not necessarily proactively designed into the daily operations of the two functions. Instead, agreements emerged over time to guide the coordination between the functions. The discipline of organization design provides tools that OD and HR practitioners may apply as they learn how

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to successfully coexist within the same organization. These tools, which we used successfully in our work at the financial services and manufacturing companies, can be useful frameworks for holding discussions and negotiating agreements with HR.

Drawing Boundaries. In the financial services company, it became increasingly important to draw the boundaries between where the OD work started and stopped, and where the HR work began. *Table 1* provides an example of the agreement that was formed between these two

areas. The Work Content and Boundaries Template (Tolchinsky, 2009) can be used by any organization looking to clarify the relationships and connections between functions performing similar or overlapping work. The template contains five major columns: work that is “in scope” for the group in question, where that piece of work starts and stops, what is produced or delivered as a result, and the target customers for each piece of work. Practitioners can use this template to negotiate agreements between groups in real time, or to document the outcomes of discussions.

Planning for Coordination. In the manufacturing company, it became increasingly important to determine how the partnership between OD and HR would be nurtured, given that both functions were interacting with the same types of customers at the strategic level of the organization.

Table 1: Work Content and Boundaries Document

“In Scope” Work for the OD Function	Start Where should the department’s work start?	Stop Where should the department’s work end?	Deliverables What products do you produce at the end of this process?	Customers Who is the customer for your deliverable?
Learning and development program creation	Clarification of desired outcomes and purpose of program Identification of key jobs or roles Diagnosis	Delivery of interventions focused on technical skills critical to success in sales and operations jobs	Documentation (Training manuals, online resources, courses, assessments)	Line Operations (primary) Human Resources (secondary)
“In Scope” Work for the HR Function	Start Where should the department’s work start?	Stop Where should the department’s work end?	Deliverables What products do you produce at the end of this process?	Customers Who is the customer for your deliverable?
Job analysis for learning and development program creation	Identification of job families across the company	Delivery of interventions focused on competencies that span across jobs, departments, and business unit	Documentation (Training manuals, online resources, courses, assessments)	All employees (primary) Compensation (primary) Organization Development (secondary)

Table 2 provides an example of the agreements that were formed between these two areas. This Integration and Coordination Agreements Template (Tolchinsky, 2009) can be used by any two or more groups looking to clarify the content and process of their collaborations.

Can HR and OD functions successfully co-exist inside large organizations? The answer, from this author’s viewpoint, is a resounding “yes!” It does take courage, commitment, leadership, and a willingness to act in the best interest of the organization to design ways to work collaboratively across these functions. In both organizations that conquered this challenge, partnering across the divide ultimately yielded more opportunities to impact organizational performance. Having an impact on the business and helping produce results are values that many OD and HR professionals share. If we can keep this end in mind, professionals in both practice areas

can work together to achieve more productive relationships.

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Table 2: Integration and Coordination Agreements Template

REQUIREMENTS	
OD Needs the Following from HR	HR Needs the Following from OD
<ul style="list-style-type: none"> • Information about important new initiatives forming in the business units • Information about business unit organizational challenges at the individual, team, and whole system levels • Access to senior leadership • Support for various OD initiatives 	<ul style="list-style-type: none"> • Status updates on any initiatives or requests for assistance involving OD and the business units • Ongoing support and education for the new OD skill sets HR is learning • Updated tools and resources posted on Community of Practice (CoP) website
Both Groups Need from Each Other	
<ul style="list-style-type: none"> • Willingness to share information about key initiatives • Willingness to invite one another to meetings with key business leaders 	
Coordinating and Linking Methods	
<ul style="list-style-type: none"> • Weekly: Thursday Weekly Status Report Conference Call, Updates to SharePoint website • Monthly: CoP Sharing Meeting, Committee Meetings as Necessary • Quarterly: Attendance at Joint Business Plan Review Meetings with Senior Leadership 	