

Targeted Benchmarking on Corporate HR Structure



CAHRS Partners have the opportunity to benchmark with other partner companies on HR topics of interest. The benchmarking is typically conducted with 5-7 other CAHRS Partners selected by the company that initiated the request. The CAHRS office identifies the appropriate connections at selected companies and the benchmarking company then schedules 1:1 phone calls to explore their questions.

Examples of recent requests include: Sponsorship Initiatives, Organization Designs and Structures, Diversity Metrics, Talent Management Practices, Competency Models and a variety of HR Policy Questions (i.e. Relocation, Cost of Living, Airline Mile Usage, etc.).

CAHRS partners find this more qualitative approach to benchmarking very valuable for revealing novel insights and practices, as well as for building their network. At the conclusion of the process, the benchmarking company shares an anonymized summary of their findings with the participating companies and CAHRS, who then makes them available so all partners can benefit from the learning.



This benchmarking exercise was meant to understand how global organizations structure the HR teams that support global corporate functions. Understanding HR leader leveling, HR:FTE ratios and how HR services are delivered between HRBPs, COE and shared services were key to this scope of work.

Key Takeaways:

The level of HR Partner supporting the C-suite executives is either Vice President level or Sr. Director level. This depends on the size and complexity of the business unit and leveling procedures dictate appropriate grading.

In both organizations, HR shared services employees make up 60% of HR functional headcount. All transactional/non-strategic work is pushed to the shared service center. Shared services is the execution arm.

HRBPs are focused on advancing the talent strategies of the functions. Only the most senior leaders (C-Suite, their direct reports) partner with the functional HR Business Partner. The rest of the FTEs are supported by shared services or a team of lower level HR generalists.

In one company, BU HR leaders are individual contributors and are supported by an agile pool of HR consultants to support projects and to help solve problems.

In the other company, the BU HR leader has a direct team of HR generalists reporting into them to support the business. The number of HR FTEs is determined based on the size, complexity and number of people leaders in the unit.

COEs often have aligned resources to the Global Functions (for example, a Talent leader just for the HR function, or an L&D leader that is assigned to Technology). Sometimes these resources are 1:1 with the function and sometimes the COE resource balances a number of functions, depending on the scope of the need.

Company A is a globalized company with 90,000 FTEs; the HR function is 3,000 FTEs (30:1 FTE/HR ration) of which roughly 60% sit in shared services.

Corporate HR structure:

Corporate HR is led by an Executive Vice President. The EVP, HR for Global Functions is also the business partner to the Finance function (which has 7,000 employees). The CHROs has a supporting team of business partners underneath as Finance is a large, global function.

The company's other functions are supported by Vice President level HR leaders:

- Finance-EVP, HR Global Functions + supporting team of HR business partners
- Human Resources- Vice President HR (individual contributor)
- Global Technology-VP HR (individual contributor)
- Legal- Vice President HR (individual contributor)
- Portfolio of smaller functions- Vice President HR (individual contributor)

The Global Functions are led by EVPs. **The Vice Presidents provide direct HR leadership to the EVPs;** the next level down (L-1) in the organization get its primary support from HR operations

COEs are brought in for support and are called the “natural team” of the VP; COE resources report up through the COE leaders

Pooled group of **HR consultants** (usually 5-15 years of experience) are leveraged for work by the VPs; these consultants come in to provide targeted HR support to solve business issues or lead projects; VPs have to barter for these resources which in turn helps the organizations with prioritization of HR projects; these resources become dedicated or semi-dedicated to the function

HR Philosophy

Only allow differences where legally required or where it would allow a competitive advantage. This allows global standards to be upheld and consistent administration of HR operations.

Company B is a globalized company with 140,000 employees and HR has 2,000 employees (65:1 FTE/HR ratio) of which 60% sit in shared services (called Corporate Services), 30% are Business Unit (BU) HR and 10% are in the Centers of Excellence (COEs).

Corporate HR structure

Head of Corp HR is Vice-President level and also duals as the head of Total Rewards. This will likely be decoupled and a dedicated leader will lead Corporate HR.

Corporate functions consist of HR, Finance, IT, Comms, Legal/Admin. **HR support for the different business units are either VPs or Sr. Director level.** It depends on the size and complexity of the business unit. The company follows clear leveling guidelines to determine which roles are Sr. Directors and which roles are VPs. The HR Generalist partner for the People function (which is 2000 employees) is Vice President level.

Supply Chain is run as its own sector and is not part of Corporate functions.

The number of direct reports to the VP/Sr. Directors of the Global Functions depends on the number of FTEs, business size and complexity of the function.

Typically, functions with larger number of people leaders have more HR support due to greater demand. The company just re-looked at all 600 BU HR to re-level based on scope of role.

BU HR primarily focuses on talent planning (internationally), talent strategy, Org design and effectiveness.

COEs focus on strategy only-the execution arm of the COEs all sits in shared services (think recruiting strategy sits in the COE but recruitments sit in shared services). All specialization sits in the COEs.

Many of the functions have dedicated talent leaders just for the function (for example, HR has a dedicated talent leader who helps to run HR Academy, skills assessment, HR rotational program)

COEs are focused on more “direct to employee” communications and are not going through BU HR to launch everything. This has been a welcome change for BU HR.

When employees have questions, they go to HR Operations. HR Operations makes up 60% of all employees in the HR function and manages the all HR execution.