

Business Partnering in HR: reality or myth?
A practitioner view of the parameters for the successful
implementation of Business Partnering

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LIST OF ABBREVIATIONS

BPM	Business Partnering Model
e-HR (M)	electronic Human Resources (Management)
e-	electronic-...
ERP	Enterprise Resource Planning (System)
ESS	Employee Self Service
HRIS	Human Resources Information System
HR	Human Resources
IT	Information Technology

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DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of the University of Gloucestershire and is original except where indicated by specific reference in the text. No part of the thesis has been submitted as part of any other academic award. The thesis has not been presented to any other education institution in the United Kingdom or overseas. Any views expressed in the thesis are those of the author and in no way represent those of the University.

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Abstract

Twenty years ago David Ulrich presented a new concept asking HR to move away from administration and routine and to become strategic. By using new technological developments (newly developed software, the internet, and the segmentation of HR services) he created the foundation for HR to become a 'business partner'.

However, contemporary HR departments still seem to be dominated by administrative tasks, now executed by new IT systems. This is reinforced by the Roffey Park "Management Agenda 2014" which states that the vast majority of HR professionals view themselves as "too reactive" spending "too much time on unimportant things" (p.33). Working as a consultant in HR I am confronted with these realities and the impact of Ulrich's model on relationships between HR and its customers.

By interviewing experts and surveying line managers and employees, the evidence indicates that the relationship between HR and employees faces disturbances, as benefits from business partnering are not obvious to HR's customers. Hence, HR is at a crossroads as a function; it can either contribute to business by using current (and future) technological tools, or increasingly lose significance within the business. This research develops an 'in-partnership' approach that aims to re-connect HR and business.

The in-partnership approach addresses relationships and helps to overcome the segmentation in HR by entering into a dialogue between HR and business. This research therefore provides novel insights into HR by understanding the importance of the relationships with the different communities which need to benefit from Business Partnering, allowing a useful contribution to practice that values the relationships to HR customers, internally as well as externally.

Chapter One

Introduction

1.1 Research Background and Motivation

This thesis aims to examine the effects of a phenomenon that has drastically changed the world of human resources (HR) over the past twenty years. David Ulrich's idea to streamline many day-to-day HR processes, by means of technology and 'shared service centres', sought to "liberate" HR from routine tasks and thus to contribute strategically and add value to the business.

David Ulrich (born 1953) is a professor at the University of Michigan (Ross School of Business). He is the author of several books, as well as a management consultant and co-founder of the consulting company 'The RBL Group'. David Ulrich was ranked as the 'No. 1 Management Educator & Guru' by Business Week (2001), and was selected by Fast Company (2005) as one of the ten most innovative and creative leaders, and named as the most influential HR thinker of the decade by HR magazine (2015). These plaudits demonstrate both his impact and the esteem in which his ideas are held by the business community and HR practitioners in particular.

Ulrich's concept of streamlined strategy and customer-orientated and improved services has proved highly influential, creating an industry that evolved around his new model which ranges from software suppliers to consultancies offering support across a range of model aspects. However, twenty years have passed since the model was introduced and the ideal has not been achieved. The gap between theory and practice provoked a sobering discussion that reveals doubt regarding the effectiveness and outcomes of the model. Has HR really changed in the last twenty years to a strategic partner in business, indeed has it really changed at all, particularly if the conversion to electronic service is removed from the equation?

This research is inspired by my personal experience of the rapid changes in HR that have been caused by new software systems. The aim to change HR structures or processes was designed to develop HR that better answered customer's needs. However, the changes that occurred focussed mainly on improving processes; the attention on customers/employees and the relationship towards them are often

underdeveloped. Through his model, it is clear that Ulrich's intention is that HR plays an important role in business and becomes strategic. When I encountered Ulrich's model at an HR conference, I was electrified and elated to have found the answer to all my HR worries, as it draws a picture of a strategic HR department, influential and value adding to business. Ulrich's model hence appeared to offer a path out of my administrative routine to a more challenging and demanding future.

When I moved from a large company to a smaller one, the need for those software tools no longer existed. However, the topic was still of interest to me as Ulrich's ideas gave valuable guidance for the future of HR. Having the opportunity to conduct research in this field was, and remains a great opportunity, accompanying my personal development, starting my own business integrating and implementing results and theory found by this work. My focus is on mid-sized companies (the German 'Mittelstand') currently adopting Ulrich's model; I support these companies during, or post-integration, using the in-partnership-concept developed in this research.

1.2 Research Questions

This research provides an understanding of the effects of David Ulrich's business model. Therefore, the research spans the entire field of the model and focuses on the main model deliverables:

The key deliverables of the Ulrich model are: strategic partner, administrative expert, HR champion and change agent (Ulrich, 1997). The literature review presents an in-depth explanation of the meaning of those roles and their realisation in companies.

This research develops on a background, where there is "a noticeable absence of empirical research" (Kettley & Reilly 2003, p.1), with "even basic aspects unclear, or even worse, suspicious to many HR academics" (Strohmeier 2012, p.283). Ulrich's ideas go beyond electronic-HR, as he uses it as a tool to bring HR to a strategic level; this process of creating successful 'Business Partnering' is of particular interest in my field of work. Thus, this research does not focus on e-HR as such, but on parameters that make it (and me) successful.

Based on the lack of “empirical research” (Kettley & Reilly 2003, p.1), my research is intended to contribute findings that have resonance from an academic and practitioner’s perspective. This work does not focus on a specific problem but attempts to show an understanding of the effects of virtualised HR on employees. In doing so, I have developed three research questions:

- 1. What is the aim and extent of the implementation of the Business Partner Model in large companies?**
- 2. How does the Business Partner Model affect employees?**
- 3. How can the Business Partner Model be implemented in a balanced and successful way?**

These questions result from a systematic literature review that examines academic publications, as well as opinion polls and promises from academic and popular articles and books, HR–related magazines and marketing brochures of software vendors.

1.3 Thesis Structure

Following this introduction (chapter one), which offers background information about the (technological) development, a systematic literature review (chapter two) gives a comprehensive and detailed description of the model, including its single facets and its implementation in companies. It describes the feedback which the model received from HR professionals and its success in the business world. The review also discusses the problems that occur in relation to Ulrich’s Business Partner Model. The final section shows how the research questions are derived from major themes that emerged from the systematic literature review.

Chapter three focuses on the methodology and its underpinning interpretive philosophy. Based on a mixed method approach, the two response groups, experts and professionals, are presented and the use of different methods specific per group is explained.

Chapter four describes the findings from the semi-structured expert interviews and survey results, and depicts similarities or contradictions. The chapter lays the foundation to answer the research questions and to develop parameters, such as customer focus or ownership, for a successful Business Partnering, from which customers benefit.

Chapter five (Discussion and Conclusions) seeks to answer the research questions and forms an in-partnership model. Moreover, it examines my research contribution to theory and practice. My research's contribution adds to map a new model for a successful business partnering. In addition, the new role of technology as a key driver for the future development of HR is demonstrated and the limitations of this research explained. Based on the new framework, business focussed HR can be achieved overcoming the current problems and creating prosperous relationships and an in-partnership approach to cooperation that is beneficial for business.

In the appendices, summaries of the survey and of the interviews are presented as well as the raw data upon which my conclusions and recommendations are based.

1.4 New ways of HR service delivery

This section outlines the technological developments in human resources that have shaped roles and relationships to generate a basic understanding of the background of this research and the Business Partner Model.

Our everyday office space is now a place where technologies converge. The traditional typewriter has been replaced by laptops and PCs, which connect wirelessly to printers, while electronic documents have replaced paper files. E-mails have taken over from the "snail mail" delivered by the UK's Royal Mail or Deutsche Post. Processes have also gone electronic. E-commerce, e-banking and e-government are all examples of how traditional processes have adapted to the digital age and no longer require any face-to-face interaction.

In line with this technological development, HR has also undergone major changes. Ulrich (2010) describes them as "waves". In a synopsis deriving from several articles

(Ulrich, 2010; Harvard Business Review, 2015; Ulrich, 2011; Creative HRM, 2016) the different stages of HR evolution can be described as follows:

Table 1: Waves in HR

Early Stages Wave 1	1900-1960 Wave 2	1960-today Wave 3	Future Wave 4
Administration	Productivity focus	Business partnership	HR response to external business conditions

This thesis focuses on the third wave, which is connected with Business Partnership as defined by Ulrich (1997), i.e. aligning HR strategy to the business and the technological innovations that enabled this strategic approach. It is essential to understand the contextual technological progress that is presented here in order to comprehend the strategic options that derive from it.

The first step in technological progress occurred in the early 1980s when HR started using information technology (IT) for administrative processes, primarily payroll processing (DeSanctis, 1986). Along with the rapid development in IT that we have all experienced, HR was repeatedly subject to new changes. Therefore, it is no surprise that IT continues to impact HR (Foster, 2009, p. xvii). Traditional ways of delivering HR services through face-to-face channels have been challenged and changed. According to Foster (2009) organisations have increasingly adopted new technologies as a platform for improving service delivery and processes by changing them into e(lectronic)-services, known as “e-HRM”.

1.4.1 E-HRM

Foster (2009) uses the term “e-HRM” (electronic human resources management) to describe this technology-enabled phenomenon (Reddington, 2008), in which HR processes have become electronically driven. There are various definitions of e-HR that have changed over the years, as systems have become more advanced and developed. Strohmeier (2007) for example defines e-HR as the planning, implementation and application of information technology for both networking and supporting at least two individual or collective actors in their shared performing of HR activities. The fuzziness of terms in this field can be seen in that Lepack and Snell

(2008) prefer to use the term “virtual HR” to describe a “network-based structure built on partnerships and mediated by information technologies to help the organisation acquire, develop and deploy intellectual capital” (p.216). In comparison to Lepack and Snell, Jones’ (1998, p.18) definition is more down to earth. He defines virtual HR as “the use of computer systems, interactive electronic media, and telecommunication networks to carry out the functions of the human resource department.” Bondarouk and Ruel (2002) argue that the phenomenon of electronically-based HR services was named e-HR and that this became used interchangeably with HRIS (IS here standing for information systems), virtual HR, web-based HR and intranet-based HR.

Bondarouk and Ruel (2002) conclude that there is no final definition of e-HR and try to summarize different “consensus-based” approaches (p.507) as follows:

“e-HR is an “umbrella term covering all possible integration mechanisms and contents between HR and IT aiming at creating value within and across organisations for targeted employees and management” (p.507).

The authors suggest that this definition integrates four elements:

1. e-HR content – all types of HR practices that can be executed by means of IT, as well as all types of IT that can be used to support HR practices (internet, intranet etc.). In this context HR practices are both administrative and transformational.
2. e-HR implementation – the adoption and appropriation of e-HR by organisational members.
3. Targeting employees and managers – shifting e-HR away from being the domain of the HR department. By the turn of the century, line managers and employees became actively involved. e-HR has now broadened its target and goes beyond an organisation’s borders (e.g. employment applicants).
4. e-HR consequences – change in tasks, relocation and outsourcing.

Examples of such e-HR processes include:

- e-recruiting
- e-training
- e-payroll
- e-appraisal
- e-forms
- e-services
- ESS (employee self service)
- e-HRIS (electronic human resources information system)
- ERP (enterprise resource planning)

In general these terms describe the transformation from paper-based processes to electronic ones. New terms for e-HRM such as “smart HR” or “HRM 4.0” are presented in newsletters. Walker (2001) also summarised the developments by stating that “the HR department as we knew it is no more” (p.xix). The Roffey Park Institute (2009) called these developments “shaking the foundations of traditional HR” (p.15).

1.4.2 Traditional vs. Virtual HR

Jones (1998, p.13) called this change from traditional to virtual HR a “paradigm shift” and compared the traditional way of providing HR services with e-services, which he calls “virtual HR”:

Table 2: Traditional vs. Virtual HR

Traditional HR	Virtual HR
1. Paper intensive job	1. Paperless office environment
2. People skills dominate	2. Information management and technology mastery skills are essential
3. Data filing and information dissemination are key functions	3. Strategic HR management skills and systems-level thinking are critical
4. HR department is functionally orientated	4. The virtual HR staff assume more of a consultative/advisory role
5. Less scientific sources of personnel information are relied on (e.g. traditional interviews)	5. More scientific sources of HR information are used (e.g. computer based testing)
6. HR professionals react to new information technologies (IT) recommended by their IT departments	6. Technology-savvy virtual HR professionals proactively request cutting-edge technologies from their IT group

Jones' (1998, p.11) table includes not only a shift in the way of working (such as: 1: from paper to paperless) but specifically mentions a shift in roles, responsibility, and even mindset/behaviour. HR is asked, according to Jones, to develop strategic management skills (3), or to shift to a consultative role (4) and to act proactively instead of being reactive (6). With this table Jones shows that the change from traditional to virtual HR affects the entire HR department, both in terms of physical work but foremost mentally.

Given the shifts outlined above, technological complexity increases; single processes or IT-systems, independent from others, such as e-payroll or e-recruiting, become embedded in larger systems like ESS or e-HRIS. The single process becomes a module in a whole range of different applications. The merger of single software systems into larger software solutions is the second step in technical progress.

1.4.3 Software systems: combining single units

After the first step in technological progress, which occurred in the early 1980s when HR started using IT for administrative processes, the second step in technological progress, shifting HR from traditional to virtual, is characterised by software solutions like ESS, e-HRIS and ERP, which are presented here:

1.4.4 ESS

Schäffer-Külz (2005) describes employee-self-service (ESS) as a new form of IT-based HR that changes the focus from the use of data in HR-departments to the staff (customer). She mentions the active involvement of employees as the main change in the new system via self-service applications. Employees execute different processes on their own. Examples of this include holiday requests, sick leave, downloading payslips, and changing personal data (such as an address). Because employees can actively participate in processes, the ESS approach goes beyond acquiring a ready-made product (Saueressig, 1999). If an appraisal process is included in the ESS program, then line managers and employees work together to create new data and information, which will affect payroll. ESS transfers thus a certain degree of data governance from the HR department to the employee as the latter now has responsibility for keeping their data current and accurate (Schäffer-Külz, 2005). Kantsperger (2001) and Scholz (2000) highlight the idea of the system-based

empowerment of employees over the course of this transfer, focussing both on implementation and its effects.

1.4.5 Electronic Human Resource Information System (e-HRIS)

Electronic-human resource information systems move a step further. According to DeSanctis (1986), e-HRIS can be described as a specialised information system designed to support HR management planning, administration, decision-making and control activities.

e-HRIS links ESS applications, such as the mentioned shift in data governance, with additional features, for instance company blackboards that offer information to both managers and employees, information tools for managers (like e-files) and employee history data (salary development, etc.).

1.4.6 Enterprise Resource Planning Program (ERP)

SAP, Oracle and others offer enterprise resource planning systems or ERP-systems that are built in a modular style and cover all areas of a company's business by storing, managing and/or interpreting data from several business activities. This includes modules for purchase, sales, customer relations and HR (Bidgoli, 2004).

Typically, an entire company works with one IT system. Characteristically they include an e-HRIS as well as an ESS. Exact software offers interactive software that follows the "entire employee life cycle" (Marketing brochure, 2004) covering all aspects from application management to retirement.

The new approach is to link all aspects of business and to reflect this in one colossal system. Currently, all leading ERP software vendors offer web-based HR software. This is a new step in development and is intended to enable online accessibility wherever, and whenever, an employee wants it.

In such systems, e-HR modules can be accessed by smart-devices via the internet. Martin (2005) and Parry, Tyson, Selbie, and Leighton (2007) identify a growing demand to access HR systems remotely and at any time, which is possible via such mechanisms.

With respect to companies like SAP or Oracle, it becomes clear that those processes "depend on having adequate IT infrastructure in place" (Reddington, 2008, p.15). The

worldwide implementation of such a program in global companies like Mercedes-Benz, BA, or BMW can run to millions of British Pounds or Euros. However it is not cost that is the critical factor in some respects, it is the difference between the early programs and the new, sophisticated ones that will define the magnitude and reach of e-HR (Bondarouk & Ruel, 2009).

1.4.7 Variety of applications

The field of use of e-HR can vary from company to company. For smaller organisations a new software package for payroll, or an internal company website (intranet), can be the extent of e-HR (Kettley & Reilly, 2003). A far more complex approach is given by Towers Watson (2000, p. 1): “e-HR refers to the broad access to human resources data, tools and transactions available directly on the web in most workplaces today. It describes the “net effect” of the explosion in web technologies and the dramatic impact that growth has had on the way employees now receive employment-related information through integrated self-service applications. It also includes the variety of new technologies that help connect multiple systems, tools and databases, both inside and outside organisations.”

Companies using ERP-systems will tend to refer to this description as they have changed nearly all HR processes to IT-based ones. ERP-systems are now commonly used and even smaller software vendors try to emulate this approach.

With this detailed depiction the technological evolution in HR, from small programs in the beginning of the early 80s to complex entire business encompassing ERP-systems, is described. HR is currently embedded in an integrated system addressing the entire business enabling it to contribute strategically through time that is ‘freed-up’ through this structural arrangement.

1.4.8 Technological progress enables remote services

The Chartered Institute of Personnel and Development (CIPD) (2005) and Cooke (2006) named two other forms of reorganisation that demonstrate the potential of IT-based HR. These are briefly presented here in a short to provide a more complete overview.

1.4.9 Outsourcing

Caruth and Caruth (2005) define outsourcing as a process of contracting with an outside partner. This partner performs functions that were previously performed in-house. Shen et al. postulated that “outsourcing is seen as a way of liberating HR professionals” (2005, p.417). The idea of liberating HR and providing time to focus on value-creating strategic activities is supported by several authors (Alvares, 1997; Carig, 1997; Davidson, 1998 and others) and is invariably connected to “freedom from HR administration” (Bondarouk & Ruel, 2008, p.507). The idea of liberation from repetitive tasks (to get “rid of repetitive tasks” Gensing-Bophal, 2005; p.5) is addressed by Ulrich (1997) who suggested that this freed-up time could be used for strategic issues.

1.4.10 Offshoring

Offshoring is defined as a company relocating a business process from one country to another — this is typically an operational process, such as manufacturing, or a support process, such as accounting (Cornell Law Review, 2008). More recently, offshoring has been associated primarily with the outsourcing of technical and administrative services that support domestic and global operations from outside the home country (“off-shore outsourcing”), by means of internal (captive) or external (outsourced) delivery models (Manning, 2008). This is again connected to the idea of liberating HR from administrative tasks and to use freed up time to address strategic issues.

Both forms, outsourcing and offshoring, include immense disruption in the mechanisms for service delivery and with this, a disruption in relationships as the people executing the tasks change and new forms of co-working need to be found.

1.5 Drivers for the change to electronic solutions

The previous sections offer a general overview of the technological developments in HR. This was necessary to help understand the complexity of this development and the inherent chances and future prospects connected with it. In the following, in- and external drivers for this development are explored, indicating benefits for HR and beyond; Ulrich addresses these drivers in his Business Partner Model (1997) as a “changing competitive landscape”.

Reddington (2008) identified three major drivers for changing to IT-based HR processes:

Operational drivers

Operational drivers are those that exist within a company and aim to make HR more cost effective by reducing transactional costs and/or head-count and/or to improve its efficiency and to utilise all features offered by the system in order to generate a competitive advantage.

Relational drivers

These drivers aim to improve existing processes (e.g. payroll) or traditional services (e.g. recruiting) for an interested, and demanding, audience such as line managers.

Strategic or transformational drivers

Strategic drivers address the role of HR and aim to add value to the business by achieving high levels of customer captivity.

Foster (2009) supported Reddington's driver approach, describing them as "replication, enhancement, and transformational" (p.18). Based on my own personal work as an HR manager, I agree that these drivers exist. In addition, I would like to add one more:

Legislative drivers

In Germany, the government has issued several laws and regulations forcing HR departments to use IT-based solutions to communicate with:

- tax authorities
- health care providers
- pension organisations
- the local department of employment

These solutions no longer use paper or personal contact. Instead, data files are exchanged from one IT-server to another. Further developments are planned, such as

special electronic attestations/certificates that will replace paper-based ones. Yet this is not limited to HR, for example balance sheets will have to be submitted electronically by finance departments; submitting paper is no longer acceptable. Hence, even smaller companies need to invest in IT-based solutions given the legislative requirements.

These drivers not only result in new software systems being bought and implemented. Ulrich and Brockband (2005) and Beatty (2001) described how these drivers lead to a reorganisation of HR itself, as processes develop from being face-to-face to being virtual, with limited or no contact with the HR-department. As much as 90% of the traditional HR function might become automated and web-based (The Economist, EIU, 2000).

In general, the significance of, and the dependency on, the IT department and appropriate, effective software are greatly increased. This is supported by Bell (2006) who stated that the level of IT competence within a company moderates the grade of system application. Investments in IT are growing and have reached a value of US\$300 billion over the last decade (Hawking, Stein & Foster, 2004).

Thus, all these efforts, restructuring HR departments, multi-million investments serve a purpose: to benefit from the new way of service delivery. Therefore, some of the potential (over perhaps more accurately - promised) benefits might also be seen as drivers. Thus the question is raised – what benefits are organisations trying to achieve?

1.6 The Benefits of e-HR Systems

Reddington (2008) named three main reasons for the implementation of e-HR systems:

- To rein in the increasing cost of administering HR with increasing time required by HR staff to enforce policies and to execute routine administrative tasks.
- To address the increasing expectations and low levels of employee satisfaction with HR services. Reddington focussed on the external experiences of employees, such as e-shopping or online banking, which create a demand for up-to-date forms of service delivery by HR.
- To free up scarce time for HR practitioners to focus on more strategic, value-adding activities.

According to some surveys (Watson Wyatt, 2002; CBI and KPMG Consulting, 2002), companies have reported drastic reductions of up to 60% in transaction costs. In addition, there was a reduction in the time needed to deal with queries and headcount was lowered. As Reddington (2008 quoted Ruddy, 2002, p.7) suggests: “e-HR is a pot of gold”. Software vendor, Addison Software, claims that its tool can deliver a reduction in time of more than 20%, Oracle claims that it can reduce cost by more than 1.6 million US dollars in specific companies (Harrington, 2000). Unfortunately, surveys on systems issues typically lack data on the amount of the initial investment, including all indirect costs, from training to the costs associated with reducing headcount. Hence, the actual cost of the “pot of gold” remains unknown.

Moreover, these surveys normally focus on companies that have implemented systemic solutions recently, changed processes and put considerable effort into doing so. It is therefore not realistic to accept the “pot of gold” claim at face value, given the challenges involved, particularly as competing vendors claim to generate millions in savings with the new approach.

The reader is now informed about the foundation on which Ulrich built his Business Partner Model and about the waves of development that shape HR’s history and future, and the corresponding technological progress that enabled such development. I presented the drivers for the third wave and Ulrich’s approach that goes beyond pure technological innovation but –to a certain extent– creates a new identity for HR. The business partner model is presented in the systematic literature review that follows in the next chapter. The research questions, which respond to the review, are based on identified gaps, such as that centred on the definition of what it takes to make the business partner model successful or to offer a guide for HR’s prospective future.

Chapter Two

Literature Review

2.1 Introduction

In this sub-chapter I present the foundation for the systematic literature review. Hart (1998) defined a literature review as:

“The selection of available documents (both published and unpublished) on the topic, which contain information, ideas, data and evidence written from a particular standpoint to fulfil certain aims or express certain views on the nature of the topic and how it is to be investigated, and the effective evaluation of these documents in relation to the research being proposed” (p.13).

Bryman and Bell (2011) described it as a “crucial part” of inquiry that provides the basis on which research questions are justified and research design is built (p. 91). They also stated that the Literature Review should inform how data was collected (p.91). Thus Hart (1998) and Bryman and Bell (2011) point out that already the literature review guides to the methodology chapter, the way this literature review shaped the methodology is explained at the end of this chapter.

Bruce (1994) identified six concepts for a literature review that reflect the varying relationship between researcher and literature. Bruce (1994) recommended adopting the higher-level concepts (no. 4-6):

1. List

The Literature Review is understood as a list comprising pertinent items representing the literature of the subject.

2. Search

The review is a process of identifying relevant information that focuses on finding or looking, which may involve going through sources (for examples, articles, databases) to identify information.

3. Survey

Students also view the literature review as an investigation of past and present writing or research on a subject. The investigation might be active (critical/analytical) or passive (descriptive).

4. Vehicle

The review is also seen as having an impact on the researcher because it is seen as a vehicle for learning that leads to an increase in his/her knowledge and understanding. Within this concept, the review acts as a sounding board through which the student can check ideas or test personal perceptions.

5. Facilitator

The literature review can be understood as directly related to the research that is about to be or is being undertaken, the process helping them to identify a topic, support a methodology, provide a context, or change research direction. The review thus helps to shape the course of the student's research.

6. Report

The review is understood as a written discussion of the literature drawing on previously conducted investigations. The focus is on 'framing a written discourse about the literature which may be established as a component part of a thesis or other research report' (p. 223).

(List quoted from Bryman and Bell, 2011)

In systematic literature reviews, the higher-level concepts presented in the list above represent an approach to adopt explicit procedures to ensure thoroughness and to prevent the biases of the researcher (Tranfield, Denyer & Smart, 2003). Bryman and Bell (2011) stated that "systematic reviews of the literature are seen as a cornerstone of evidence-based approaches". Like the high-level concepts, they are intended to provide advice and guidance for the researcher.

Tranfield, Denyer and Smart (2003) suggested the following three steps for a systematic literature review:

- Specifying the question and planning the review
- Conducting the review
- Reporting and dissemination

The first step of the process involves specifying the research question(s), which must be clearly answerable. This Literature Review lays the foundation to answer my research questions about the status of Business Partnering in large companies, its effects on employees and parameters for a successful Business Partnering.

The second step involves carrying out “a comprehensive, unbiased search” (Tranfield, Denyer and Smart, 2003, p. 215) based on keywords and search terms. The search strategy needs to be –according to Tranfield, Denyer and Smart (2003)– replicable and should cover, if possible, unpublished and published papers followed by an analysis aiming for a cumulative understanding of what is known about the subject. The sources used in this thesis are described further below based on a table by Saunders, Lewis and Thornhill (2012, p. 91).

The last step involves reporting in a way “that provides a descriptive map of the research on the subject” (Bryman & Bell, 2011, p. 98). This Literature Review informs in the first place about Ulrich’s (1997) Business Partnering Model and further on analyses the current controversial discussion about it. Based on the contradiction between critical voices and Ulrich’s model, the Research Questions can be answered; moreover their foundation within the literature is shown.

With these steps, Tranfield, Denyer and Smart (2003) suggested that the systematic Literature Review is a more reliable foundation that helps to design the research.

The idea for this research derived from a large number of articles and newsletters in the early 2000`s addressing new ways of delivering HR services based on the Business Partner Model by David Ulrich, using IT software, discussing the changing shape of the role of HR, offering new software products and consultancy services, and requests for participation in surveys, panels and opinion polls, which I was supposed to roll out (snowballing) to other colleagues to improve the feedback.

Saunders, Lewis and Thornhill (2012, p. 91) suggest defining parameters for the search to address and limit relevant literature sources. In line with this process it was essential for me to formulate criteria by which to select which literature should find access into research.

Table 3: Parameters by Saunders et. al.

Parameters by Saunders, et.al (2012)	Implementation in this research
Language	English, German
Subject -/ Business Area	Business Partner Model / HR
Geographical Area	UK, Germany, USA
Publication Period	1997 – till today, last 20 years
Literature Type	books, journals, reports, opinion polls
The huge number of articles and other sources, based on the search terms, made it necessary to segment or categorise them.	

There were 5 different major segments in which I grouped the literature and that the reader can find in this review's structure:

- Business Partnering by Ulrich
- Technological aspects / development
- Roles, relationships and structures
- Commercial success
- Criticism and new models

It is interesting that the critical voices have reached a level as encompassing as the literature about the model itself.

2.2 Search Terms

After focussing and limiting the field for the literature search, the identification of keywords (search terms) generating the database for the research was the next step. Bell (2010) stated that this identification is the most important part of planning the search for relevant literature. Based on a "limited reading you will have a list of subjects that appear relevant to your research." (Saunders, Lewis, Thornhill, 2012, p.92). These search terms "are the basic terms that describe ...research questions and objectives, and will be used to search tertiary literature." (Saunders, Lewis, Thornhill, 2012, p.92).

The search terms used in this research derived from initial reading of newsletters, brochures, seminar offerings and articles. Given my initial research questions which I aimed to explore by means of conducting this Literature Research, the key search terms refer to different aspects of the Business Partnering Model itself, its implementation and the ways in which it has been experienced by employees, line managers and HR professionals.

Used search terms deriving from initial reading (newsletters, brochures, seminar offerings and articles):

- Business Partner Model
- HR virtualisation
- electronic-HR

- Employee Self Service
- Enterprise Resource Planning
- Vanishing HR / Downsizing
- Restructuring
- Employee
- Motivation

Since the literature shapes the design and the nature of this research, the search terms were revisited as new aspects were highlighted from articles. I explained already that the large amount of literature asked for grouping it.

With this I gave a comprehensive picture of the foundation of the Literature Review using academic articles, books and different studies resulting from the search terms (see parameters by Saunders), for the Business Partner Model that I introduce in the following section:

2.3 The Business Partner Model by David Ulrich

In the introduction, I presented the development in e-HR, the drivers and the benefits of the new ways of HR service delivery. The following section addresses the Business Partner Model by David Ulrich, consolidating the information given in the introduction about technological development to a theoretical model.

2.3.1 Essentials of the Business Partner Model

Ulrich's competitive landscape

In the reflection on e-HR in the introduction, it became clear that ways of service delivery have changed. Already in the introduction the change to separate digital systems as well as their integration into large IT solutions, like ERP systems was in detail explained.

David Ulrich (1997) connected e-HR development with a “changing competitive landscape” (p. 1) by identifying eight challenges for business and therefore for HR:

1. Globalisation
2. Business Competitiveness and HR Services serving the organisation's value chain
3. Profitability pressure through cost and growth
4. Ongoing optimisation of capabilities (Capability Focus)
5. Change
6. Technology
7. Attracting, retaining and measuring competence and intellectual capital
8. Transformation to a customer / vendor focussed organisation

According to Ulrich HR is challenged in terms of competition, cost pressure and high demands. The nature of HR is that it always operates within a company. Yet with the eight described challenges a new agenda is added. Ulrich (1997) insisted upon "championing competitiveness" (p.17). He used this term to stress the deliverable element of the HR function, rather than to focus on the operational aspect. Deriving from the deliverable element he developed four "musts" for HR.

Ulrich's four musts for HR

Ulrich postulated four "musts" for HR:

1. HR must focus on deliverables
2. HR must articulate their role in terms of the value created
3. HR must create mechanisms to deliver HR services so business results quickly follow
4. HR must learn to measure results in view of competitiveness and take leadership in cultural transformation

David Ulrich, 1997:

'It is time to talk less and do more; time to add value, not write value statements; time to build competitive, not comfortable, organisations; time to be proactive, not reactive. It is time to perform, not preach" (p.17).

With this research I also investigate whether Ulrich's stimulus has been realised or if HR remains preaching. For me the real essence of Ulrich's model is condensed in this statement, to become active and to change HR's reality.

The Business Partner

In order to fulfil these 'musts', Ulrich (1997) defined four key management roles that are necessary for HR to become a true Business Partner.

Table 4: Business Partner Matrix; Source: Ulrich (1997), p. 24

		Future/Strategic Focus	
		Management of Strategic Human Resources	Management of Firm Infrastructure
Process			People
		Management of Employee Contribution	Management of Trans- formation and Change
		Day to day/Operational Focus	

The picture from Ulrich shows a balance between all four roles and a form of evenly shared responsibility in HR. Following I present the management roles in more depth that he defined for the first time in context to his model:

Table 5: Ulrich 1997, p. 25 Management roles of HR

Management of Strategic Human Resources Deliverable: strategy execution HR role: Business Partner	Management of Firm Infrastructure Deliverable: administrative efficiency HR role: Administrative Expert
Management of the Employee Contribution Deliverable: increased employee commitment and competence HR role: Employee Champion	Management of Transformation and Change Deliverable: capacity for change HR role: Change Agent

This grid does not only visualise the roles and deliverables but informs as well about the demands HR is facing within the model. HR is located in an area of conflict trying to increase employee commitment and competence on one side and on the other playing an active role as a change agent, often connected with uncertainty and especially against a background of technological progress often connected with the fear of job losses. As HR activities are meant to serve only the success of business strategies by translating business strategy into HR practices this might conflict with increasing employee commitment. This is particularly the case when business strategy

is connected with the relocation of business units, downsizing or increasing automation. HR then must adapt the workforce to the new strategy that will erode employee commitment rather than strengthen it. The importance of committed employees bringing added value to the organisation, including through their determination, proactive support, relatively high productivity and an awareness of quality is stressed by Iles (1990). According to Iles (1990) committed employees are also less likely to call in sick or to leave the organisation. Hayday (2003) supports this notion by highlighting that employee commitment is key to improved productivity. Swarnalatha (2012; p. 217) adds that committed employees “are emotionally attached to their organisation and highly involved in their job with a great enthusiasm for the success of their employer, going the extra mile beyond the employment contract.” Thus, HR is encouraged to improve employee commitment.

In line with this employee commitment improvement, Ulrich (1997) sees HR as a function (or persons) which (or who) “personally spend time with employees and train and encourage managers in other departments to do the same” (p.29). Ulrich described the “best” HR manager as a person that knows employees’ names and spends time *walking around the building listening to the staff*. In times of cost pressure and focus on deliverables this approach seems to be rather ‘romantic’.

In contrast to this ‘romantic’ idea Ulrich stresses that HR must deliver efficient HR processes for staffing, training, appraising, payment, and several other processes. Ulrich (1997) stated that the successful execution of these tasks adds value to a business. Infrastructure creation is derived from improving existing processes or by innovation. The foundation of a segmented approach within HR is laid here; this is discussed in the section about shared service centres.

As a change agent HR assists and supports staff to adapt to new processes and systems. The Business Partner focuses on supporting the line manager who plays a major role in Ulrich’s model as the future point of delivery of HR services.

Line Management

Ulrich (1997) stated that line managers are “primarily” responsible for HR because they are in charge of business results as well as processes within a company (p. 236). Ulrich (1997) described line managers as being “accountable to shareholders for delivering economic value, to customers for product or service value and to employees for work place value” (p.237). Therefore, line managers, too, become HR champions. With this new concept HR and line managers form a partnership where traditional boundaries dissolve to a degree “where observers ... cannot readily tell the HR executive from the line manager” (Ulrich 1997, p.237). HR becomes a supportive function in the business by helping line management to accomplish their goals. This means a new form of relationship between line managers and HR.

This change in tasks and thus relationship is supported by several case studies which Ulrich presents showing that in several fields the HR role is limited.

In one case study, four customer needs were identified and realised (Ulrich 1997, p.33)

Table 6: Customer needs; Source: Ulrich (1997)

Customer Need:	Ownership: HR	Line Management
Effective business and HR strategy	15%	85%
Organisational effectiveness	49%	51%
Administrative processes efficiency	95%	2%
Employee commitment	2%	98%

This table shows that there is a shift in responsibility from HR to line managers, especially considering that organisational effectiveness is linked to the efficiency of administrative processes (e.g. HR organises trainings). Moreover, the role of the listening HR professional spending time walking around the property and encouraging people is not obvious in the table. The Society for Human Resource Management (SHRM) in the US supports the idea of a shift to line management based on observations presented in a 2001 case study that stated that “managers (will be) handling the majority of HR related issues” (SHRM 2001, p.29).

2.3.2 Transformation

As we have seen there is an inner transformation for line managers as well as for HR. Roles are redefined, responsibilities shift and relationships change. This shift in relationship is accompanied by new demands relative to each function. Ulrich (1997) differentiated these demands by role and also by function. I include the description of Ulrich in a table:

Table 7: derived from Ulrich (1997; pp. 36-44)

to become	<i>Strategic Partner</i>	it is necessary for
<u>Line Management</u>		<u>HR</u>
to ensure the existence of an organisational action plan derived from a business plan		to establish an organisational architecture, to be able to use it, and to translate strategy into action
to keep strategic promises to customers, employees, and investors		to learn to perform effective an organisational diagnosis and to create alternative practises
to question HR practices to evaluate and focus them		to prioritise initiatives and to follow them
to become	<i>Administrative Expert</i>	it is necessary for
<u>Line Management</u>		<u>HR</u>
to understand and to invest in re-engineering all processes		to re-engineer HR work by using technology and to improve quality
to redefine re-engineering as the process of value-creation		to define the HR role in creating value
to create appropriate shared-service organisations		to create shared-service HR delivery
		to measure HR results in efficiency (cost) and effectiveness (quality)
to become	<i>Employee Champion</i>	it is necessary for
<u>Line Management</u>		<u>HR</u>
to state a new employee contract for all employees' needs in the company		to be the employees' voice
to set goals and to give resources and support to reach these goals		to assure that employees' concerns are heard
to reinvest in employee contribution		to define and provide resources that help to meet staff demands
to become	<i>Change Agent</i>	it is necessary for
<u>Line Management</u>		<u>HR</u>
to execute and to lead transformation first within HR		to align culture with market identity
to catalyse change, to facilitate it, and to design systems for change		to develop a shared mindset
to use a "pilot's check-list" for change with line managers		to have one model of change used throughout the business

The sheer number of responsibilities related to each role shows the drastic change and profoundness connected with the new model. It seems to be a major challenge for HR professionals to fulfil these requirements within one process; especially as this requires a change in behaviour, attitude and mindset.

On top of it Ulrich (1997) offers additional 'advice':

“To become an Employee Champion, HR professionals must demonstrate to employees the confidence and trust of ministers, the sensitivity of psychologists, the creativity of artists, and the discipline of pilots. They develop credibility with employees by listening, respecting their confidences, and being trustworthy.” (p. 148-149)

The additional advice by Ulrich (1997) includes a very high demand for HR professionals even exceeding the demands he formulated for each role. For me this includes already a danger to have a too high demand towards HR to fulfil the roles as the ideal seems to be hard to reach in a cost sensitive, competitive landscape.

Ulrich values the role of a change agent as the “perhaps most critical” one for HR because it not only deals with HR itself and its change to new technologies and roles, but also with overall change within the company (p. 187). Administrative Experts have to go “beyond merely reengineering processes to rethinking how work is performed” (p. 120). In this regard shared service centres are recommended “not only (to) improve processes but (to) reframe organisational thinking” (p.120). Strategic Partners should not be “servants” (p. 80) but partners, earning “respect and credibility by being outstanding at what they do” (p. 80). I will examine the term “partner” in more detail later in the Literature Review.

Despite of the high demands characterising each role the change agent is rated differently, introducing a first bias into the model. Valuing/weighing the roles within the model can create a danger to value employees according to their role. Moreover, the question of permeability between the roles can be doubted. Another disturbing aspect regards the “new employee contract,” Ulrich (1997) speaks of an “employer-employee psychological contract” (p. 29), which had previously been eroded due to restructuring, reengineering and downsizing.

However, this point is unclear because both HR and, even more so, line management were involved in this erosion process, either by downsizing, outsourcing, or by actively laying off employees. Now the same divisions are asking employees for a new employee contract, matching their needs and listening to their voices. As implementing the new model relates to restructuring, employees will be suspicious that benefits are not dearly bought to bare through the process.

With this I informed in detail about the Business Partner Model, aligning HR to business needs and giving HR a strategic impact. An analysis of the roles follows.

2.3.3 Analysis of the new roles of HR according to the BPM

In his book *HR Champions*, David Ulrich addresses current developments enforced by technological changes and trends in HR and frames those by guiding the developments into a theoretical model: the Business Partner Model. He refocuses HR from being transactional to being result-orientated and postulates that this new way of thinking adds value. He sequences HR roles into four balanced segments as previously shown:

- Strategic Partner
- Administrative Expert
- Employee Champion
- Change Agent

All four roles combined and balanced are the basis for the concept of the “Business Partner” (Ulrich, 1997). In order for an HR professional to become a Business Partner, he or she should be capable of moving in all four roles or at least has to have the competencies to be active in all four fields as each role is essential to the overall partnership role. Yet the concept goes along with a shift from HR tasks to line management as they primarily deliver HR practices to the staff who report to them.

This new model demands a shift in mindset and relationship for all involved. Line managers are now asked to perform HR tasks within their team or department; whereas HR takes over a strategic role transforming business strategy into HR action

plans. HR provides appropriate systems, staff and training to contribute to business success.

The Business Partner Model has four deliverables that are directly connected to the previously named roles:

- Strategy execution
- Administrative efficiency in processes and systems
- Increased employee commitment and competence
- Increased capacity for change

This model offers HR professionals guidance for gaining strategic relevance in their organisation or for becoming a strategic player (Harvard Business Review 2005, p. 12).

The model expresses future prospects for HR summarised under the terms:

to become strategic and to add value

The language used by Ulrich (1997) expresses an active role for HR:

define, create, re-engineer, measure, prioritise

Ulrich defines what is necessary to do in order to become strategic and to add value; yet the demand to change all addressed aspects is not only cost-intensive and time consuming but addresses HR professionals' self-understanding, which is discussed later ('mindset').

2.3.4 Translating the model into new structures

The CIPD calls the Business Partner Model the "three leg model" (CIPD 2009, p. 2) or "Ulrich Model." HR blue, a consulting company in Germany, which accompanies such restructuring processes calls it the "3-box-model" (HR blue, 2004), Systematic HR ([www http://systematichr.com](http://systematichr.com)), an HR blog about the intersection between HR process and HR technology uses the term "3-circle-model."

All refer to the main new balanced structure as derived from Ulrich's business model as previously described:

- Strategic Partner
- Administrative Expert
- Employee Champion
- Change Agent

Most companies created three major organisational units (three boxes/legs/circles) from those four roles in which they deliver services to business.

- Shared Service Centre
- Centre of Expertise
- Business Partner

These three segments characterise the implementation / realisation of Ulrich's model in nearly every large company. In the following the segments are explained:

2.3.5 The Shared Service Centre

Strikwerda (2010) defined shared service centres (SSCs) as entities responsible for the execution of administrative operational tasks. He described SSCs as separate business units which are spun off from the corporate headquarters and which focus on strategic issues. The idea of a separate business unit is supported by the consulting company PricewaterhouseCoopers (PwC). KPMG (2013) defined SSCs as the centralisation of business functions in the form of business-process outsourcing, which contributes to cost-saving especially through the chosen location. Gartner, Inc., USA, which claims to be "the world's leading information technology research and advisory company", offers SSC support which is defined as a "centralised point of service." These services are executed by IT for various other business units within the entire organisation. It is not relevant where the services are provided. Strikwerda (2010) stated that SSCs are cost-sensitive in terms of headcount, labour costs, and location criteria (compare: Outsourcing and Offshoring).

2.3.6 The Centre of Expertise

Wu (2008) defined a centre of expertise as a division dealing with training, compensation, and recruiting on a strategic level. However, George (2010) employed the term centre of excellence because they provide best practices, leadership, training,

and support for a focussed group. For Ulrich (1997) centres of expertise are units connecting technical experts in order to develop and share ideas. According to Ulrich (1997), these centres focus on transformation-based services and support strategy implementation. He provided examples for the deliverables of centres of expertise that are in line with Wu and George: staffing, development, compensation, organisational-effectiveness, communication, employee and/or union relations and/or work security (Ulrich 1997, p. 101-102).

Ulrich differentiated between the shared service centre and the centre of expertise and compares both:

Table 8: SSC vs. COE; Source: Ulrich (1997), p. 103

	Shared Service Centre	Centres of Expertise
Focus	Employee transactions	HR practices which transform the company
Work Activity	Re-engineer and get economies of scale	Centralize functional expertise so it can be allocated to business
Successful if...	Costs are reduced Employees are served more quickly with better quality	HR practices help accomplish business goals in innovative, targeted ways
Role	Customer service representatives Policy experts	Consultants/facilitators Technical advisers Troubleshooters Screen suppliers Coaches
Interfaces with	All employees	Primarily through HR generalists in the field
Interfaces through	800-numbers Voice recognition Kiosks Customer service representatives IT and Face-to-Face contact	Task teams Consulting services

Along with this comparison of the two forms of HR service delivery, Ulrich provided clear criteria for successful implementation. For SSCs this means cost reductions with improved services. For the centre of expertise success is defined by the accomplishment of goals. The success of the SSC can therefore be measured easily by quantitative criteria (number of phone calls per minute, amount of online-ticks per day, etc.), whereas the success of the centre of expertise is measured by qualitative criteria.

As described before, the idea of cost saving is the driver for organisations to search for new locations or to establish separate business units. This idea is still viable. In 2013, companies like Vodafone, EON and RWE (both major electricity providers in Germany) founded service organisations abandoning the current tariff-contract. In the case of EON and RWE, both companies left Germany for Poland and Romania in order to cut costs (Rinke, 2013). The salaries at Vodafone service centres decreased from €2,500 gross per month to €1,500 gross per month, this was justified as “adjustments to the market” (Schulte-Bockum, CEO of Vodafone, 2013). Salaries in Poland and Romania will be less than €1,500.

2.3.7 The Business Partner

“HR business partners are HR professionals who work closely with an organisation’s senior leaders in order to develop an HR agenda that closely supports the overall aims of the organisation. The process of alignment is known as HR Business Partnering and may involve the HR business partner sitting on the board of directors or working closely with the board of directors and C-suite.” (HR Zone, 2015).

That compelling definition concurs with Ulrich's (1997) idea of a business partner, bringing together the qualities of a strategic partner, admin expert, employee champion and change agent. Therefore, this role is still a rather general one (Huber, 2014) as the business partner is focussed on providing services to line management using the shared service centre and centre of expertise. The connection between line management and the business partner has already been discussed. According to Huber (2014), the Business Partner coordinates, combines and manages HR topics and services with line management. Additionally, Gorges and Kuhlmann (2012) stressed that the business partner should focus on strategic and value-adding HR topics.

Summary:

In the previous section I have presented the Business Partner Model by David Ulrich and its deliverables which are intended to support HR in contributing to business at a strategic level by segmenting different HR roles and thus use freed up time to be able to be a strategic partner.

2.4 Implementation of the Business Partner Model

Having presented the Business Partner Model in its various facets; in this section I focus on the reception of the model in the HR world in order to gauge how successful the model is and how it became a standard (not only) in large companies.

In the following section I examine in detail the resonance of the model in the HR world, drawing on several sources for each topic.

Chapter	Topic	relevant literature source
2.4	1 success of BPM	CIPD 2009; PwC 2013; Towers Watson 2013; HR blue 2009, ISPA 2002; Hackett Group 2013
2.4	2 medium sized companies	PwC 2013; Girotra 2013; IfM 2003; OP Consult 2013
2.4	3 Marketing	CIPD 2009; KPMG 2009; PwC 2013; Deloitte

2.4.1 The Success of the Business Partner Model

It seemed as if the HR world had been waiting for Ulrich's model. Several surveys (CIPD 2009, Roffey Park 2009, Towers Watson 2013 and KPMG 2009) showed that restructuring intensified after Ulrich's book was published. CIPD (Chartered Institute of Personnel Development) reflected that HR was subject to change in surveys conducted in 2003 and 2007.

In their 2009 survey CIPD showed that 53% of organisations had restructured HR in 2008 and 81% had done so in the previous 5 years. The survey stated that the common reason for restructuring was to liberate HR to become more strategic. Whilst 61% of the organisations had the Business Partner Model in place, only 18% had implemented all three elements (service centre, Business Partner, centre of expertise), due to the size of the company.

These figures align with a 2013 study by PwC that regarded the business partner model as an example of the strategic re-focussing of HR, which has spread globally and has increasing relevance. The PwC study also stated that globally-acting organisations have played a "trendsetter" role in this field and that nowadays medium-sized companies are also restructuring according to Ulrich's model (p. 13).

The ongoing demand for change in the structure of HR was pointed out by Towers Watson (2013) in their global study "Explore the possibilities" which explains that over 33% of participating organisations (1,025 respondents from over 32 countries) will restructure their HR department in order to focus on efficiency and quality. The study supports the parameters defined by Ulrich for successful HR, namely to increase HR's role in strategic contributions to business and to achieve greater efficiency and contain costs. Additionally, the study stresses the implementation of new technology as means to rethink and redesign HR processes. In support of those concepts, Towers Watson emphasized the new relationship and alliance between managers and HR because managers receive tools that enable them to support employee engagement. The study stated that almost 50% of the respondents use shared service centres to generate the advantages that have been previously described, such as the reduction of costs. The study also indicated that the No. 1 HR delivery issue globally is "streamlining business processes" (p. 6).

In another study by the German company HR blue in 2009, which focussed on larger companies with more than 15,000 employees, 100% of the respondents had the Business Partner Model in place and indicated that the model was implemented in all kinds of (industrial) sectors without any preferences. As all of them had implemented the new approach to HR-services delivery in their organisations it is not surprising that 100% stated that they had restructured the HR department in previous years. Again, this study also supports the drivers for transformation. 82% of the participating German companies stated an increase in efficiency as their reason for the efforts, 35.7% mentioned the benefits of new IT systems, and 14% cited standardisation.

The 2002 ISPA-consult "e-business in HR" study on e-HR generated similar results; 64% of the participating companies named cost reduction as one of the main goals, along with faster (90%) and improved processes (72%). In addition to the overall expected results of the Business Partner Model the ISPA study showed that terms could be used interchangeably and that there is a lack of clear definition.

Finally, in the "Key Issue Study" by the Hackett Group in 2013 intensified roll-outs for web-based and self-service applications were announced as contributing to the global standardisation of services and the need for optimisation for the internal customer. The Hackett Group pointed out the need to improve the quality of continuous, strategic staff development.

The term Business Partner is clearly commonly used in organisations and has become a widespread function. A quick follow up on the internet page monster.co.uk on April 18, 2015, listed the following number of vacancies for the following positions: HR Business Partner 69 vacancies, HR manager 320 and HR assistant 55. In Germany, the same search gave the following results: 185 vacancies for Business Partners, 857 for HR managers and 3 for HR assistants.

The term “Partner”

Ulrich addresses HR in his model as a ‘partner’, not a core unit, department or any other more technical term. Oxforddictionaries.com defines ‘partner’ as “either of a pair of people engaged together in the same activity”. Ulrich’s ideas therefore address the people in the HR community and he uses emotionally loaded language (“revolution, liberation, freed up”) and the future offered through the notional application of the model answers the community’s hopes and wishes for appreciation, being valued and recognised. This explains why the HR community was electrified.

2.4.2 Business Partners in medium sized organisations

The PwC study refers to medium-sized companies which follow the trend of larger organisations. In the original German text, PwC uses the term “Mittelstand”. Before we reflect on the Business Partner Model and the German Mittelstand it is helpful to understand the term itself, which is equivalent to the English medium-sized organisation. According to Girotra (2013), Mittelstand is a descriptive term covering enterprises from small businesses (like craftspeople) to multinational, even world-leading, organisations with thousands of employees and billions of Euros in revenues. The term is typically used only in Germany, Switzerland and Austria. There is no official definition of it, as it covers a vast variety of different companies. Companies like C&A and Fischer (which makes rawl plugs) define themselves as being Mittelstand, as do family businesses (“Familienunternehmen”). Even the German company “Haribo”, which has billions of Euros in revenues worldwide and several thousand employees, defines itself as Mittelstand. More than 70% of all employees in Germany work in over 100,000 companies which define themselves as belonging to the Mittelstand. (IfM, 2003).

Given the large variety of companies the term covers, no homogeneous picture exists of the implementation of the Business Partner Model in medium-sized organisations

(Mittelstand). At the beginning of the literature review, it was stated that for small organisations, the implementation of a new payroll system might also require restructuring. Fischer (University Pforzheim, 2012) renamed the Business Partner Model the Service Delivery Model (SDM) and questioned the applicability of Ulrich's model to the Mittelstand, as the model asks for a high degree of standardisation, high flexibility in location and intense use of IT. In contrast, Fischer (2012) advocated a local connection, unsophisticated IT use and a high degree of flexibility (= low standardization) as being strengths for medium-sized companies. He suggested the use of external providers as one way of adapting the Business Partner Model, yet pointed out the problems connected with it (e.g. loss of know how).

Fischer (2012) also reflected on Alfred Chandler's 1962 concept of 'Structure Follows Strategy': All structures follow the company strategy. Fischer (2012) raised therefore the question of whether Ulrich's uniform approach is suitable for Mittelstand companies, with unique histories that are typically privately owned and with individualised business approaches.

In contrast to Fischer, Brutsch (2013) viewed the Business Partner Model as useful in Mittelstand companies; yet she, like Fischer, states that its implementation in these companies seems to fail quite often due to their size or due to operational constraints. Due to these constraints Brutsch (2013) stated that a customised approach is essential for the Mittelstand, as it is not essential to have an organisational role titled Business Partner, but to have the mindset of a Business Partner. Therefore, the model can also be implemented in small HR departments. Brutsch is convinced that labels are less important than behavioural aspects. She recommended applying the spirit of the Business Partner Model rather than following the purity of the model in all aspects, demanding complex or cost intensive (IT-) solutions. Brutsch is convinced that an adjusted Business Partner Model can deliver solutions to the needs of Mittelstand business. OP-Consult (2013) supported this thought by suggesting a mixture of several approaches, calling it the "OP-Model", which includes "the best" of traditional HR service delivery and Ulrich's model.

It is very difficult to find informative literature about the use of the Business Partner Model in Mittelstand companies. As previously mentioned, most of them are owner-driven companies, and a lot of them are "hidden champions" (IFM, 2003) which have no interest in discussing the internal aspects of their organisations.

This is the reason I focussed my research on larger organisations which have resources such as a press department, and regularly participate in surveys as a form of marketing.

2.4.3 The Consulting industry around the Business Partner Model

In the review of the success of the Business Partner Model, several studies by companies like PwC or KPMG were cited. In addition, other consultancy companies like Towers Watson or HR blue had conducted surveys and the CIPD is active in this field.

All of those named companies use the Business Partner Model, which is particularly surprising with regard to the big four in classical auditing. All four are regularly looking for new staff in this field; on April 18, 2015, 50 positions were vacant for HR or Finance Transformation, all dealing with the set-up of shared service centres. It appears that a veritable consultancy industry has grown up around Ulrich's model.

Ulrich owns a consulting group, the rbl-group, which offers strategic coaching in the implementation of the model. The big four in auditing advise on the transformation process and CIPD offers training, seminars, degrees and tool kits designed to create a successful Business Partnering.

The success of Ulrich's model is based as per my opinion on several pillars:

- Right Momentum
- Marketing powerbase
- Right Person/opinion leader
- Waiting and following audience

Ulrich's model came at the right time, major companies were working with advanced software programs and shared service centres were installed when Ulrich knotted these developments and framed them into his Business Partnering Model. In the late 90's a stronger market/business focus was popular. The sociological and economic foundation was laid for the "Guru" and most influential HR professional to utilise the marketing power of his own company and well paid world-wide lectures to present his model, to sell his books, seminars, workshops and consulting services. The Guru's audience waiting for a meaningful and influential career path ahead adopted the model.

Soon everyone wanted to have its share of the 'pot of Gold', Reddington (2008) spoke of. Thus other consultancies took the opportunity and offered support in transformation, as well as enlarging the market, supporting the trend and turning it into a state-of-the-art way of executing HR service. There was a clear line between old and modern, yesterday and future, paper filing and strategy, and everybody wanted to be on the winner's side.

Summary

In the previous section I informed about the models its implementation and its success. The section confirms the great extent to which the Business Partner Model is in use in larger organisations and perhaps potentially even in mid-sized companies, serving the future prospect of strategic player in business.

This in-depth information is essential to evaluate the coming chapter of critical voices questioning aspects of or even the entire model.

2.5 Critical Voices

We have learned that the Business Partner Model is economically successful worldwide. Additionally, a consulting industry has grown to assist with implementing and adapting company structures to the model.

However, starting in the early 2000's critical voices began to question the success of the model culminating in the statement of David Ulrich himself: "I cannot stand the term Business Partner anymore"

In the following section I analyse a number of these critical voices and cluster the criticisms into four major categories:

2.5.1 Pressures	relevant literature sources
Cost efficiency	Marler (2009); Walker (1999)
Low vs. high value	Ulrich 1997; Holbeche; Lawler&Mohrmann 2003
High demand	Faltin, Bergstein & Stolz 2014; Capelli 2015
2.5.2 Support in absence	relevant literature sources
Lacking time	IRS Report 2000, HR blue2012
Lacking IT support	HR Magazine 3/2015; Cisar 2014
Lacking HR support	Gennard&Kenney (1997); Watson (1986)

2.5.3 Systemic barriers	relevant literature sources
Standardisation	Blood (2007), Mutum (2010)
Interdependence	Sächsische Zeitung (2013)
Process orientation	Personnel Today 2008; Manager magazin 11/201

2.5.4 Challenges	relevant literature sources
Future prospect: strategy	ISG 2014; Roffey Park 2014; Lawler&Boudreau 2012
Dissolving HR	Pitcher 2008; Roffey Park 2007; Peacock 2008
Career paths	HR blue(2009)
Shift to Line Management	Cooper (2001); Bevan & Hayday (1994); HR blue (2011)
Alienation of HR	2003 IES Report; Caulkin 2002;

2.5.1 Pressures

In this section critical voices are collected that deal with pressures on HR resulting from the Business Partner Model. Some of them are already familiar to the reader as they have been driver for implementation yet here the focus is on the consequences/results of such pressures:

Cost efficiency

It is understood that a driver for the Business Partner Model is the desire to streamline HR by using electronic devices to deliver services. Caulkin (2002) examined the jobs in shared service centres and rated these as “vulnerable” and poorly paid. In Germany, those jobs are classified as “precarious”. For example: Vodafone wants to lower salaries from €2,500 to €1,500 Euros a month resulting in a net income of €1,100. That reduction makes it difficult to make a living even in the most rural areas of Germany, and it is impossible to save for old age. Therefore, a new problem is created, not a company one but a social one – poverty in old age.

In addition to low paying jobs, a common characteristic for precarious employment is the limited contract, which helps to guarantee the needed flexibility or a new form of employment known as on-call (similar to the UK's zero-hours contracts). The employee receives a very small base income; the rest is paid when the employee is called for work. These employees regularly depend on state subsidies.

Keebler and Rhodes (2002) did not agree that companies could achieve the promised savings. In their survey, only 40% of the respondents believed this. Concerns were expressed by the IES Report 2003 which argued that generic IT systems (like ERP

systems) could suffer from low usage as the design needs to be adapted to the needs of each specific customer, which is cost-intensive (so-called customising). According to Reddington (2008), information boards in intranets need regular updates in order to be accepted by employees. In smaller HR departments, more tasks are concentrated in fewer pairs of hands, which might cause delays. Increased accessibility also demands high performing systems.

When contrasted with the old “high touch” approach, the new “high tech” approach (Karakanian, 2000) can be perceived as “a necessary evil” (Lawler and Mohrman 2003, p. 6) and can create another problem.

Marler (2009) argued that as worldwide software vendors distribute their software to any customer; to a certain extent, the cost saving aspect is cannibalising itself as every company has access to such software. So the competitive advantages are limited in a competitive environment where all organisations use the same or similar software systems.

In contrast, Walker (1999) argues that it is no longer sufficient for HR specialists to advise managers on a wide range of HR topics: Walker suggests “in-depth, specialised capabilities” need to be available “when and where they are needed” (p.6). To guarantee this, organisations would need to have specialised departments located around the globe to answer the managers’ queries. As this seems rather unlikely, specialised vendors such as labour law lawyers or external consultants will fill the gap. Whether those could contribute to cost saving, remains to be proved.

In context of low wages policies against highly (paid) specialised teams because of Business Partnering an inherent aspect is the appreciation of executed work; or in other words:

Low and high value (work/employees)

Gratton (2003, p. 18) was one of the first to question the segmented approach of Business Partnering. He stated that after outsourcing “lower value, operational work” (p.18), the remaining tasks were segmented according to the model and that this resulted in confusion and ambiguity regarding how the segments would add value. Yet, with statement of “lower value, operational work,” Gratton has, perhaps unintentionally,

described another issue within the Business Partner Model: the differentiation between low and high value, and between operational and strategic.

Ulrich (1997) addressed this problem by pointing out that the administrative role and the employee-champion role are seen as traditional and out-dated and do not add value. Next to it he valued the roles within the model differently. This differentiation goes along with the already described tendencies to relocate operational tasks to service centres somewhere in or outside the country, as they need to be cost effective (Ulrich 1997, p. 103). To be cost effective shared service centres need to pay lower wages by abandoning union-tariff-contracts or by moving to cheap-labour countries, such as Romania and Bulgaria, or in the case of British companies, India or Pakistan. The fact that shared service centres tend to avoid the term call centres, as previously mentioned, shows the need to create positive branding. Similarly Holbeche (2001) asserted that “if basic HR processes... are in not good order, no strategic contribution is likely to be considered of value until the administrative problem has been fixed” (pp. 17-18). In other words – if payslip problems occur, HR will be unable to contribute at a higher level as no one will take it seriously.

Other discrepancies were discussed by Lawler and Mohrman (2003), who suggested that the capacities of Business Partners remain highly uncertain and spoke of “playing the Business Partner role” (p. 117). Lawler and Mohrman (2003) suggested that the solution to this inherent problem is a high-quality IT application which can assist HR professionals to become Business Partners. In contrast to Mohrman and Lawler, Marler (2009) asserted that a high-quality IT approach will “rarely deliver on these strategic expectations” (p. 515). Marler (2009) agreed that the introduction of components such as ERP systems enabled a fundamental change in HR service delivery. However, she argued that in addition to re-engineering and re-focussing, outsourcing and downsizing (cost effectiveness) typically accompany the ERP implementation resulting in fewer HR personnel. This is supported by the CedarCrestone Report (2005), Ruel, Bodarouk and Louise (2004) and Shaw (2003). The fact that there are fewer employees in HR departments means that the demands on the remaining employees are increased. Those individuals must fulfil all 4 roles: admin expert, champion, strategic partner and change agent.

Too high a demand for HR?

The new model requires HR to contribute strategically to business therefore HR is asked to be 'business savvy', 'finance savvy', 'M&A savvy'. It seems that HR is required to be competent in nearly all aspects of business. Is this simply too much? This thought is supported by Faltin, Bergstein and Stolz (2014) who conclude that HR's organisational value is decreasing and doubting that HR professionals are lacking the capabilities to fulfil the demands. In addition they state that core competencies are missing which lead to a low adding of value and to low performance. This might be an explanation for why HR managers focus on administrative tasks rather than new challenges, as Capelli states in the Harvard Business Review (2015).

Summary

The pressures on HR to become a value-adding department according to the model can result in another form of segmentation: there are high value and low value employees, exchangeable and non-exchangeable. According to their contribution payment will be high or low resulting in social problems arising in the future. In addition, the high demand to be savvy in business creates pressures to be permanently fit in all topics and think ahead about current developments and to add value all the time. This pressure might be a reason to concentrate on administrative issues which are less stressful, demanding and generate safety. A non-savvy Business Partner risks losing influence, a seat on the board or more, as being business savvy justifies the person's position. The longed-for board seat might turn out to be an ejection seat.

2.5.2 Support in absence

In this section I present the criticism arising about support in the transformational phase and the limitation HR and employees experience dealing with new systems and structures:

Lack of time to prepare the transformation

Critical voices observe a lack of adequate preparation for the new arrangements. Hoogendoorn and Brewster (1992) argue that line managers did not feel skilled enough to execute HR activities, and this position is supported by an IRS Report (2000) that identified several gaps. Gennard and Kelley (1997) expanded on that criticism and drew attention to the fact that line managers are in continuous need for support from

HR specialists. As continuous support by a specialist is unlikely to be provided by the Business Partner, a gap emerges because the line manager is constantly required to use the shared service centre or the intranet for help and support. HR blue (2012) supported this thought with a recommendation that there should be a time frame of more than two years for a transformation phase, during which roles and relationships are defined.

IT support in doubt

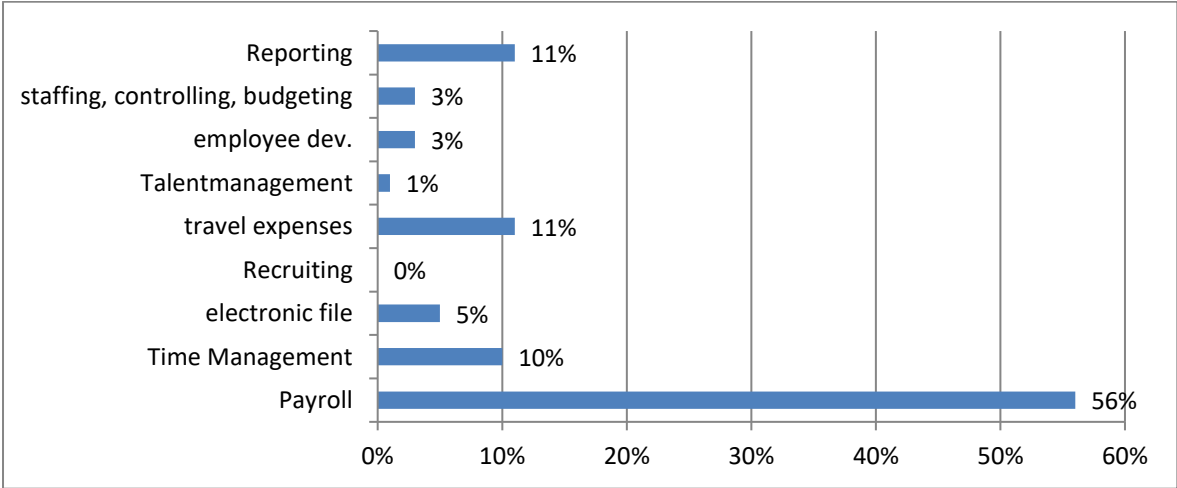
A finding from the Software supplier ADP published in the HR Magazine 3/2015 is similarly disturbing as it states that less than 50% of the survey respondents were satisfied with the service provided by the software they had in place. Taking into account the huge amount of investment required to bring HR technically to the next level, this is more than surprising.

In September/October 2014 the polling company Cisar in Germany asked 75 small, medium and large companies about their satisfaction with IT support in HR. It is worthwhile having a closer look at the figures as they visually demonstrate the problems in becoming strategic.

From the Cisar survey 10/2014, p. 8 presentation:

Question 3: Which (HR IT) module provides the greatest degree of customer satisfaction? (Answers/Votes in %)

Table 9: Cisar survey 10/2014, p. 8



This table clearly shows that the modules with the highest level of satisfaction are the ones which have no strategic impact e.g. payroll, time management, travel expenses and reporting. They will be used the most as their operation appears to be easy and satisfying. The customer-focussed ones, which are essential for activities such as attracting applicants or retaining employees, e.g. recruitment, talent management and employee development are ranked between 0 and 3 per cent. These modules, which create added value, are unsatisfying to use and thus used less.

HR support

Gennard and Kelley (1997) asserted that ongoing support by HR is a necessity; the question is whether or not HR has the capabilities to provide such support.

Firstly, HR is busy adjusting to its new role (IRS Management Report 1998), structure, and the use of new IT systems. As the Business Partner Model is accompanied by outsourcing into shared service units, team members might be separated and people might seek new alternatives. As individuals experience the complexity of the model, it is unlikely that an insecure HR department could provide the necessary support required by line managers. Hall and Torrington (1998) added that providing this support might be a totally new task for the remaining staff in HR and that thus “support for line managers may be inadequate” (p. 52). Watson (1997) doubts whether the remaining Business Partner is willing to provide ongoing support to line managers when called upon for highly-strategic tasks in accordance with the model.

Summary

The new world of Business Partnering seems to face challenges resulting from an absence of support, resources and technical usability. If the vast majority of HR respondents of an opinion poll vote for payroll as the most satisfying IT tool then certainly some attention needs to be drawn to the other modules especially as payroll is not really considered as adding value but as a basic service. Somehow in line with a proper IT program development is the paucity of prepared and developed HR professionals as well as a lack of training for line managers who do not see themselves as competent to undertake certain HR tasks. A gap between a promised line manager support and reality will again create major problems in the acceptance of the Business

Partner as the service recipient does not receive what he/she was hoping or wishing for. With this the shift to line management endangers the model as line managers receive additional tasks whereas HR is unburdened by them. Failing to provide support for line managers unbalances the model as well and can create a vulnerable point within an organisation.

2.5.3 Systemic barriers

This section focuses on the barriers that using IT systems might imply. It is a matter of course that working with (only) one IT system limits the user to this special system, and this is even truer when the system covers the entire organisation. Next to this basic idea the following presents additional aspects:

Standardisation versus individualism

The question of standardisation versus individualism was first mentioned in the discussion regarding the suitability of the Business Partner Model for mid-sized-companies. In several blogs, there have been recurring discussions regarding the needs of companies, yet no literature can be found on this criticism. Therefore, I will briefly describe the opinions raised in those blogs.

The German HR blog (der-hr.blog.de) offers HR professionals and researchers in HR a neutral communication platform. The blog is neutral in the sense that no company sponsors the platform and requires to be advertised. The “personaler forum” another social media and training platform recommends the HR-blog because scientific experts, HR managers, lawyers, HR controllers and psychologists regularly participate in conversations. The blog receives approximately 5.000 “clicks” a month, and is widely recognised in the German HR community.

Fischer (2012) stated that only large companies could profit from standardised processes due to the high implementation costs for ERP software systems. The loss in individual solutions, which is equal to losing local or cultural habits and specialities is, according to Fischer in the same blog, a contradiction in itself, as diversity is becoming more and more important. The general view of standardisation as a panacea for cost effectiveness is only correct when there is a high degree of repetition (such as salary calculation). According to Fischer, any deviation is either suppressed or needs

customising within the system, and this lack of flexibility in work-flows might have a negative effect on employee commitment.

The opinions in blogs are exchanged without references; therefore, it is difficult to evaluate them because they are limited in scope and specific to a single topic. Nevertheless, posts on this topic seem to suggest that a change to potential individual solutions tailored to individual needs would be more helpful in maintaining employee commitment than the standardisation of processes, which per se excludes individual non-system-conforming solutions.

2.5.4 Challenges

To maximise the benefit of ERP systems, to have all available data at hand in one system, it is vital for all data to be put into the system. I myself took an SAP course to learn how to use the system and I was surprised how much data was asked for to create a simple payslip. (I already used other payslip programs, I believe I am able to evaluate the time needed.) Therefore, the need for people to ‘feed’ the system is quite high and can be another reason for moving HR functions to low-cost countries.

Additionally, I have to admit that in this 4 day course I felt like I was becoming a data typist feeding the “monster”-software. There was no requirement for administrative expertise or strategic input; it was purely a question of typing in the data. The “strategic” segment like Talent-Management or succession planning was even more sobering. To execute a meaningful talent management in the company an overview of the existing qualifications is needed. So –sitting in the course– I ticked boxes for: studies, vocational training, work experiences, hobbies and so on. My job was again data typing, there was no real demand in terms of strategy, employee championship or expertise. The strategic fields turned out to be especially frustrating. Yet the data needs to be properly completed and with a high grade of accuracy, otherwise problems will occur.

Everything depends on everything

The Technical University of Dresden experienced such problems in 2013. Whilst implementing SAP in that year they were unfortunately unable to pay invoices. Tens of thousands of invoices. The Sächsische Zeitung wrote on April 8, 2013 that with the change to SAP within 9 months data was not complete and due to the fact that all

modules are interlinked, many interdependent processes did not work. Even after 9 months implementation period 5 out of 6 modules still worked poorly or not at all. This meant for people and suppliers that they did not receive any money which caused major cash problems, and even insolvency in some cases as Sächsische Zeitung states. The newspaper points out that such a project normally takes 2-3 YEARS.

Linking process-steps and setting them up as requested makes a payment without workflow impossible. It needs an order request, an offer, a sign off and the payment. All this is reflected in the different modules which form the ERP system. The Technical University of Dresden suffered severe image damage from this episode.

Process orientation versus adding value

Ulrich tried to explain the gap between theory and reality by “poor implementation” (Personnel Today, 2008) and the fact that HR still has people “that cannot talk to board members when they start talking about cash-flow or financial numbers.” (David Ulrich at the HR Conference 2008, Rome). Ulrich pointed out that HR had become too introspective and had failed to address wider business fields. This thought is supported by Werle in the Manager Magazine 11/2014 stating that HR has prioritised process optimisation for far too long. The thought of carrying out the same process better, faster and especially electronically was predominant instead of asking whether the process was still necessary at all. Likewise, for Charan (Harvard Business Review, 9/2014), the process-minded HR professional is an obstacle to becoming a strategic sparring partner. In Charan's opinion, HR mostly consists of process-orientated generalists focussing on salary issues or union questions. According to Charan HR professionals fail to link “real business life” with HR. Charan offers an explanation for this problem as well, particularly in Germany where changing from one discipline to another is uncommon, and you do not simply move from HR to sales or vice-versa. The classical career is within one field of business, where you establish your personal career path. Charan believes that HR positions should be filled by managers who have had experiences in different work segments and therefore bring in expertise and experience in fields other than HR. Charan states that for him HR is superficial and suggests that HR board members should be abolished. He supports the idea of segmented HR where administration might sit under Finance and leadership development becomes a staff function of the CEO.

Summary

The systemic barriers, as I called this section, deal with limitations of using IT software and the demand to improve processes. The tool that is supposed to free up HR to become more strategic turns out to be a burdensome deadweight. The standardised model requesting the use of such modules does not offer flexibility and does not consider individual necessities or local specialities. These automatically turn into customising needs for the IT system. Ulrich's idea that HR still has people who cannot talk about cash-flows, and thus are inappropriate for the model, leads back to the discussion of excessively high demands on HR professionals: being suddenly confronted with such an array of requests. Charan (2014) points out a potential danger that was addressed before as well, if HR is not performing it might become superfluous. In line with such drastic ideas is the request that work culture and relationships have to adapt to the model. Charan wants to see managers with wide business experience in HR, yet the German work culture is not used to interdisciplinary careers but focuses on a linear principle. To change a set-up that has grown over decades is a major challenge and its success is more than questionable. Next to it the described problems in Saxony show that even the process of implementing new software can be a challenging experience for an organisation; therefore it is no wonder that HR is self-focussed trying to get along with the new way of working and under pressure to provide at least the same level of service than before.

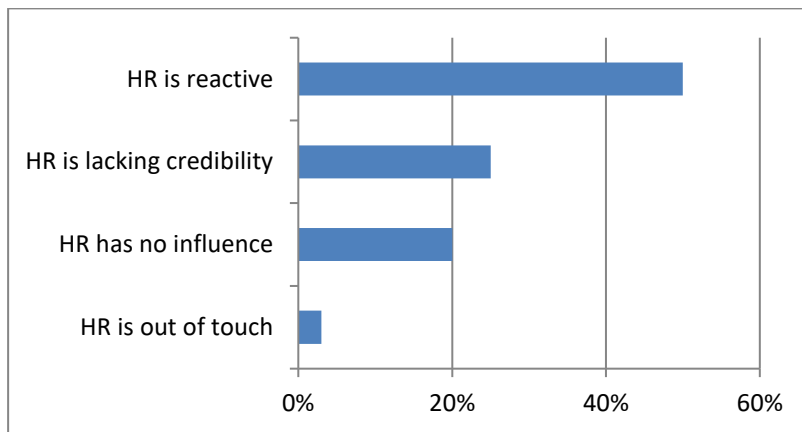
Future Prospects for HR

In the 2014 survey by Information Service Group (ISG), strategic alignment was found to be a top area for improvement for the coming years (according to 32% of respondents) as management continues to seek strategic support from HR (HR Magazine, 2014).

In contrast to this, as presented before, the 2014 Roffey Park Survey described HR as reactive and not necessarily adding value. According to the survey's key findings, the survey respondents (who were not HR managers) viewed HR as out of touch (13%), non-influential (more than 20%), and lacking credibility (25%). Nearly 30% of the respondents viewed HR as adding value to the business but more than 50% saw HR as reactive.

40% of the participating HR managers reported to spend too much time on “unimportant” things, with almost 60% of HR managers confirming that HR was reactive. More than 20% of HR managers agreed that they were non-influential and nearly 20% of HR professionals responded that they (themselves) were not high calibre.

Table 10: Roffey Park Survey 2014; Source: The Roffey Park Survey 2014



Those sobering figures echo a statement by Lawler and Boudreau’s (2012):

“Each time we have done our survey we have expected to see more change in how HR spends its time, but it has not appeared. This time (2012) we thought the chance of significant change was high because of the recession and the many changes that have occurred in the global business environment. The reality that HR has not changed makes us wonder what if anything can cause HR to spend more time on being a strategic business partner. It is less surprising that HR continues to believe it has changed, even though it has not! We have seen this pattern in each of our previous surveys. This may be a major problem if it leads to HR executives believing they have made progress toward an objective they feel is important when in fact they haven’t” (p. 25).

They added:

“Once again the obvious conclusion is that HR has not changed how it allocates its time. It remains a function that spends the majority of its time on services, controlling, and record-keeping. This is true in the U.S. and is studied in other countries” (p.27).

This rather disappointing statement was reinforced by the Roffey Park 2015 survey in which 77 % of the respondents claimed that HR was “neither successful nor un-

successful” or “unsuccessful” in exploiting (new) technology to enhance HR and business performance (p. 29). Or in other words: nothing has changed.

The contradiction in self-awareness and awareness of others in HR is endorsed by a 2011 KPMG study which found that 29 percent of the HR respondents described themselves as Administrative Experts, whereas 68 % of non-HR managers would use the same term to describe them. KPMG’s conclusion was that customers still viewed those employees as administrators rather than Business Partners. This is reflected in the figures for the “Business Partner” as well: 46% of HR staff claim to have this role, but only 30% of non-HR respondents agreed with this. KPMG found that HR might be driven by wishes of “what could be,” rather than by reality (p. 9). A more sobering fact is the judgement of the influence of HR (HR in the board room): Only 26% of respondents stated that HR has influence on decisions and 46% of HR professionals believe they have influence. In the KPMG study, which aligns with the 2014 and 2015 Roffey Park surveys and Lawler and Boudreau (2012), the main point of success for HR is payroll at 97%.

The change in mindset

Lawler and Boudreau (2012) point to external factors (“recession and the many changes that have occurred in the global business environment”). The change in mindset, Ulrich (1997) calls it ‘entrepreneurial mindset, Reddington (2010) asks for “transformational mindset” or simply a strategic mindset (or spirit) plays an important role. And it seems that external factors lack the power to stimulate people to act strategically. This adds to the position that a behavioural change is not the content with a system update or downloadable. From my personal experience in HR I learned that seeing a benefit motivates employees to change their behaviour. This idea is supported by Thibault and Kelley (1959), Homans (1961) and Rusbult (1983) naming the benefit “reward” within their Social Exchange Theory as a key issue – this notion is revisited in the Findings and Discussion chapter.

Is HR dissolving?

Pitcher (2008) wrote in *Personnel Today* that managers question the results of the Business Partner Model. Based on the 2007 results of Roffey Park’s annual survey, only 47% of the managers polled by Roffey Park confirmed that Business Partnering was in any way successful in their organisation. 25% stated that the model was

ineffective. The “hype” (Reddington, 2008) around the Business Partner Model, which was “hailed” (Pitcher, 2008) as the way forward, had come to an end.

Pitcher postulated that criticism of the model related to the fact that it had only involved a change in HR titles and no real strategic thinking. HR professionals disagreed with splitting HR into different segments. ‘Personnel Today’ (2008, by Louis Peacock) quoted two HR professionals:

“People don’t want to go to recruitment for that issue, reward for this issue – that’s not very customer focussed.” (Sian Thomas, NHS dep. Director)

“Although Business Partnering is a good idea in theory, it is very difficult to achieve in practice. It tends to focus more on shared-services than the full Business Partnering Model.” (Jackie Ward, HR Manager at Mott MacDonald)

Since this “backlash” (Peacock, Pitcher, 2008 in Personnel Today) HR is questioned, as it seems to be unable to perform and to deliver the model’s promises; Lawler and Boudreau’s long-term study had clearly shown that HR had not managed to become strategic and Roffey Park’s survey even HR professionals admit that they are more reactive than proactive. Woods (2009) argued that HR has to prove that it can contribute strategically, or “it will diminish as virtually all HR administration can be outsourced in the future.” This would mean that HR was under threat of disappearing as a separate function. Caulkin (2002), in the context of off-shoring, stated that simply putting distance between the company and the addressed issues made it harder to address them, and similarly HR itself as a whole is in danger of losing importance, influence and its “seat at the board” (Peacock, 2008). The Cisar survey of late December 2014 stated that in 68% of the polled companies the Head of HR is not a member of the board. This is the opposite of what Ulrich intended when he created the model.

In the Manager Magazine (11/2014), Werle calls HR Managers “Bonsai-Managers” as the HR discipline is devalued. Werle remarks that HR should be at the peak of its development as demographic changes, globalisation, the battle for talents and the digital revolution all require HR to act and to develop answers. Yet according to Werle the opposite has happened. The devaluation of strategic HR is obvious, states Joachim Sauer (President of the German HR Managers Organisation, BPM) in Werle’s article; this opinion is in line with the surveys that we have mentioned before. The “Backlash”

to which Peacock referred has become obvious as HR is regressing back to being a service unit, taking care of payroll and staff health care. The “seat at the board” (Peacock, 2008) has disappeared as well; companies like Siemens, RWE, SAP, ProSiebenSat1 and many others have cancelled the separate board seat for HR on their Executive boards. Werle points out that in DAX-traded companies the number of pure HR board members has decreased from the (already low) starting point of eight to just five.

There seems to be a disconnect between the idea of being a Business Partner and the reality; which, as Oliver Maassen, CEO of Pawlik Consultants, states is that HR is going down the road of becoming an auxiliary unit. According to a 2014 survey by Promerit, this is a German-specific issue as in Europe the influence of HR has grown.

Permeability and career paths

With the segmentation of HR, classical careers seem to have come to an end. Especially in outsourced “insulated” (Caulkin, 2002) stand-alone entities focussing on low-value operational work, a change to higher value tasks is nearly impossible; the model lacks permeability. I found very little literature on this topic, and only one 2009 survey from HR blue deals with potential career paths for (high level) shared service centre employees, especially those aiming to become head of shared service centres. Yet this is an “internal” career path within the service centre; a way out of it and into a Business Partner role is not obvious.

For most HR employees, transferring to smaller-sized companies which do not have the Business Partner Model in place is the only chance to deal with other, higher value, tasks. Since we have seen that the Business Partner Model is now frequently implemented in medium-sized companies as well, it thus becomes difficult for call centre staff to find new positions as there is a reduction in alternative openings, now even in medium-sized companies. This is particularly true given that the German Chamber of Commerce and Industry recommends installing a separate HR function in all companies with at least 100 employees. Thus, in the end, the shared service centre might be a one-way road for many HR careers. This is true for all roles in the model as the specialisation necessary per role, limits at the same time the employee to learn essentials for an-other role; yet the centralised service centres do not really have any access anymore to the local branches, or to business at all.

The Shift to line management

Another reason for downsizing HR is the shift to line managers. The shift of the point of delivery from HR itself to the line manager is one of the key changes in Ulrich's new model.

John (1998) and Cooper (2001) suggested a significant reduction in HR staff if line managers take over HR responsibilities. In fact, even the suspicion that line managers are taking over HR responsibilities could lead to problems realising the benefits of the Business Partner Model.

In 1994 Bevan and Hayday (1994) discussed the fact that managers were not clear about their role. The IRS Management Review (1998) also pointed out that only clear boundaries between roles guarantee performance without conflicts of competencies. When shifting HR responsibilities to the line manager, a key factor is the willingness of an individual to take over the role, to do more for the same amount of money and/or to do "someone else's job." Reddington (2008) stated that "persuasion" might be needed (p. 38) to convince those individuals that managing people is their job. On the other hand, HR professionals might be reluctant as well to see former tasks being transferred to line managers.

The term "persuasion" is quite critical. The line manager needs to be convinced. The need for change and the benefits must be obvious as he or she was managing his or her team before and the new HR-aspects are perceived as new duties. Forcing both sides into the new model could cause conflicts or unspoken reluctance. HR blue (2011) confirmed that re-naming HR functions has led to positioning conflicts with line management, as the line managers sometimes get the impression that the Business Partner has taken over parts of their function, for which they have not been trained. HR blue (2011) stressed that this shift in competencies, tasks and positioning seems to be the major challenge within the entire transformation process.

The Alienation of HR

The 2003 IES report stated that HR practitioners lose contact with employees, as they are downsized, outsourced or re-focussed. HR departments simply do not have the time to get to "know the employees by name" or to "spend time walking around the property listening to them" (Ulrich 1997, p. 30). Caulkin (2002) described call centres

as the latest industrial failure, as companies “outsource their problems” instead of solving them. As the main form of contact with shared service centres is by telephone, location becomes less significant. Therefore it is no wonder that in 2001 the markets of low cost countries like India grew to \$4 billion annually in offshore call centre services (McKinsey Report, 2002). Caulkin described offshored call centres as a chance to distance issues and make them harder to address. As employees become customers, they need to call for support and their issue is dealt with somewhere else. This might be fine for simple matters but it creates problems in complex areas or where something else is needed, for example a caring approach.

Customer Focus

Ulrich’s Business Partner Model tries to align “Human Resources and business strategy” (Holbeche, 1999) and one of the requirements is that “HR must understand needs of customers (internal and external) accurately and apply their resources to projects, functions and services that customers actually need” (Holbeche, 1999; p. 25). Ulrich explains that it really “means understanding who customers are” (Ulrich 2009; p. 19).

Walker (2001, p. 162) points out that “the objective is to identify what HR-customers need from the function. It seems to be assumed that the services offered are those which customers ask for and that there is continuous exchange between provider and customer to improve services and offerings. Yet current surveys state that there is a contrast between the claimed customer focus and the reality. In a 2006 study by the American Management Association (AMA) and the Human Resource Institute (HRI) some of the biggest gaps surfaced in "creating excitement among employees for our products and services" and "being customer-focussed at all customer touch points, not just sales and customer service." Additionally the Strativity Group, Inc., reported in 2006 that only 45.9% of 230 surveyed global executives said their firms were "truly committed to the customer." While this is more than the 43.5% who responded similarly in 2004, it is significantly lower than the 57.6% who felt that way in 2003. The study concluded that firms are "self-centric, transaction-based and product-focussed."

And finally in Bain & Company's Management Tools and Trends 2005 survey, nearly two-thirds (65%) of 960 respondents felt out of touch with what customers want. Thus,

if HR is not focussing on the recipient of services, whom is HR serving? Is HR stuck in implementation and busy with itself as other critical voices have stated?

Summary

“What if anything can cause HR to spend more time on being a strategic business partner?” this question of Lawler and Bodreau (2012, p.12) describes the dilemma at its best. Millions spent, tasks shifted to line management or shared service centres and still the future prospect of being strategic is in doubt. Roffey Park’s figures draw an alarming picture of the status of HR by asking: what does it take to make Business Partnering successful?

And in addition:

In a masterclass at Zurich Business School held in 2010, Ulrich stated that he could not stand the term “Business Partner” any more. He reflected on the crisis in 2008/2009 and endorsed the importance of the operational side versus the strategic side and stressed again the challenge of making administrative processes more efficient.

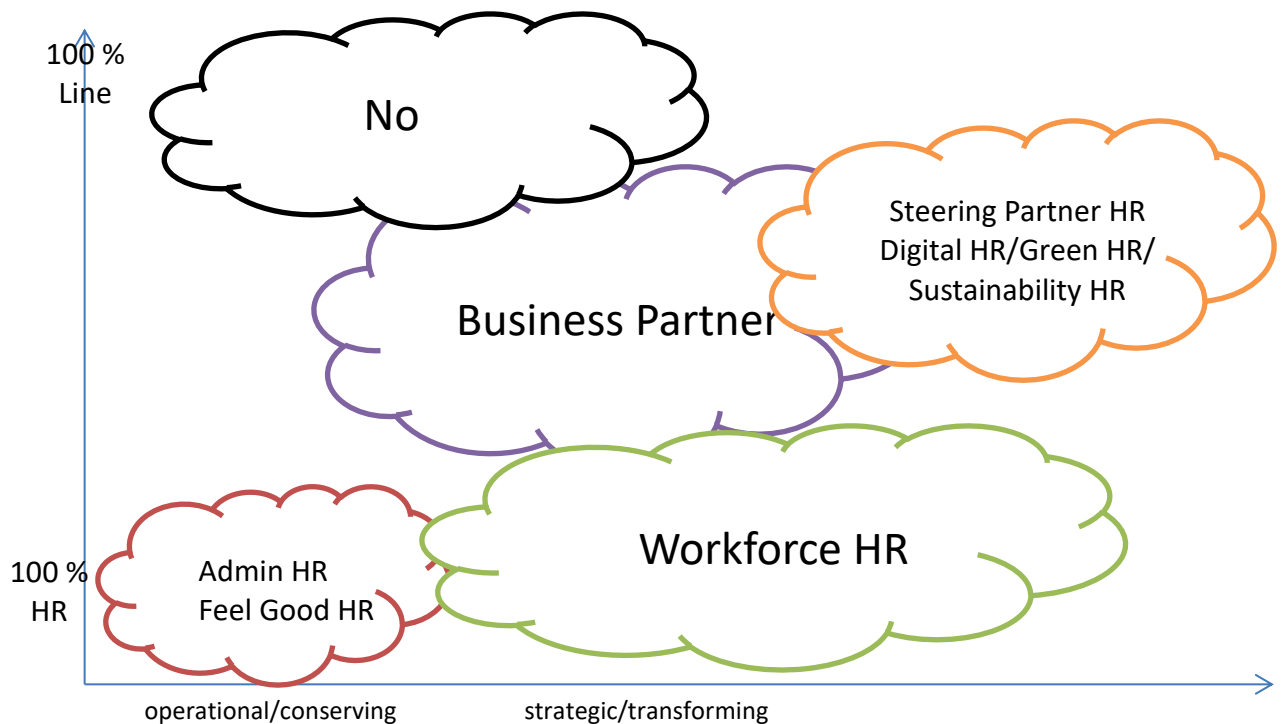
This statement is for me a form of an admission of failure, admitting that something went wrong with Reddington’s ‘pot of gold’, the Business Partner Model. The critical voices altogether drastically visualised the problems connected with a standard model that was to be used to become the HR department of the future. All collected statements create the impression of provisional arrangements with implementation varying between being stuck in processes or not even working. There seem to be no defined success parameters to get orientation from.

The idea of an all-over and everywhere usable model, not reflecting cultural or organisational characteristics but trying to even out identities, fosters concerns and objections. The panacea does not take effect. Already new models are offering new solutions to this conflict. Some of them are presented here.

New models are at hand

The ongoing discussion about the Business Partner Model has led to new ideas about how to organise HR. At the end of this section I comment on the realisation of the new models in HR. A graphic from Competence-Site, 2016 shows how new ideas have emerged and how diversified the model landscape has become:

Table 11: Emerging of HR; Source: Competence-Site 2016



Business Partnering, replacing pure administrative HR departments by connecting business with HR, is getting diversified by adding new ideas (Green HR or Steering Partner) focussing single aspects or customer groups (Workforce).

Steering Partner Approach

The Steering Partner Approach was developed by Prof. Dr. Olesch a former University Professor and now CEO at a consulting company. Olesch claims to have developed the Ulrich model from theory to reality and implemented it in companies for which Olesch acted as a consultant. Olesch (2011) argues that an HR professional should not only be a Business Partner but a “Steering Partner” (p.59). The HR professional is thus not only able to act as a consultant for management but also to steer the business.

In order to fulfil this role, the HR professional is asked to:

1. deliver excellent HR work
2. have a generalist approach
3. be an “inspiring” HR Manager

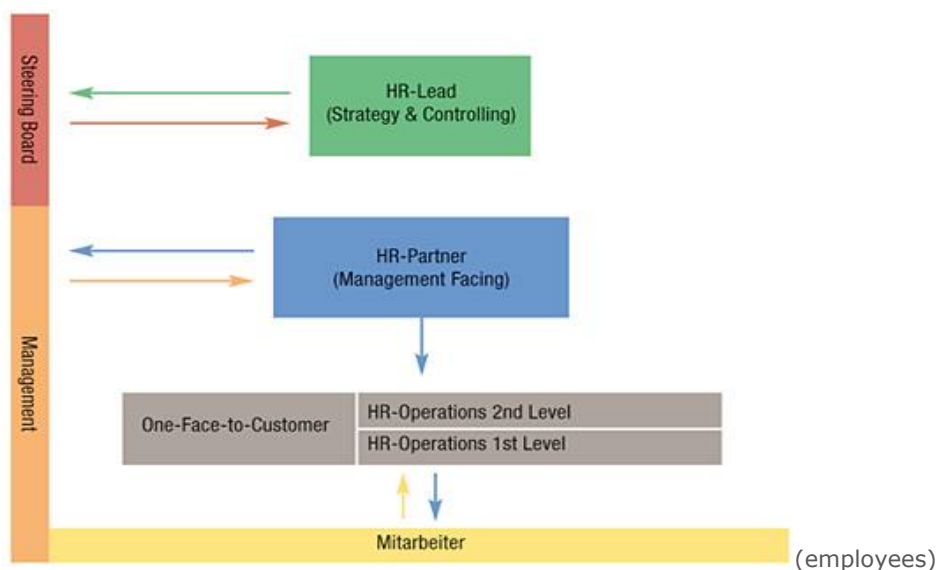
Being based on Ulrich's ideas this approach is beyond the Business Partner Model, introducing HR as a steering force in an organisation. There is no evidence that this model has found access into real business.

Workforce Strategy

The Workforce Strategy by Lieb (2014), Management Consultant, also values HR as a partner, segmenting it by customer group:

Table 12: Workforce Strategy: Source: Lieb (2014)

The Workforce Strategy



The Workforce Strategy uses similar terms as Ulrich's model; yet the basic difference is that it results in a non-segmented HR department and keeps face-to-face interaction. As the basic idea is still the same as in Ulrich's system, Lieb demands adequate resources at all levels with the in-depth understanding that the customer is a person to be consulted. This one-face-to-the-customer approach is a feedback on Gratton's criticism of the segmented HR department, but it would mean that executed organisational restructuring needed be to be adapted again. A process that is rather unlikely after a major shift a short while before. Like the Steering Partner Model this idea has not become a reality and remains an ideal still to be tested in reality.

Sustainability Partner

The Sustainability Partner Model by Fischer is similar to the Steering Partner Approach. It focuses particularly on long term goals and tries to integrate the principles of environmental and social responsibility (Green HR) into the system.

Hering (2017) points out that sustainability HR provides all employees with a safe working environment that is based on trust. The intention is to develop the skills of employees as far as possible and to put it at the service of business strategy, as well as to create working conditions that ensure the lasting physical and mental wellbeing of our employees. Employees need access to the right environment at every stage of their professional lives to develop both personally and professionally. In contrast to this Ernst & Young (2013) connects sustainability only to business practices, stating that “the term sustainability is broad, forward looking and stakeholder oriented” (p. 4); and finally High (2017) connects sustainability to maintaining the sustainability of the company’s talent pipeline. The comparison of the named models shows that similar aspects are repeated and that the new models add new tasks. The Business Partner Model functions as a foundation on which different academics further on develop their ideas. By this development, to a certain extent, they try to even out problems and aberrations in the Ulrich model, like reviving the face-to-face contact:

Table 13: Comparison and synopsis of models

Role / Characteristics	Ulrich Model	Steering Partner	Workforce Model	Sustainability Partner / Green HR
Segmentation of HR	✓	✓		✓
Generalistic approach			✓	
Administrative Expert	✓	✓		✓
Business Partner	✓	✓		✓
Employee Champion	✓	✓		✓
Steering the Business		✓		
Social responsibility / ecological awareness				✓

The focus on Ulrich's model

The new models have not yet found their place in business life. All three new models remain purely academic ideas. This might have several reasons: first of all, they build on the Business Partner Model and reshape it by focussing on single facets.

All three have in common that they lack momentum, HR is not waiting for new ideas and those behind the new models are not considered to be HR Gurus as is Ulrich. Furthermore, they lack the marketing power of David Ulrich with a consultancy company at hand, organising HR conferences, workshops and seminars. Thus it is unlikely that they will be seen in HR business. A search started in July 2017 showed that there is hardly any literature on these new ideas.

I personally doubt that they will assert themselves; the same is also true of 'buzz words' such as HRM 4.0 or Smart HR, which lack a theoretical foundation or a known and influential 'champion'. However, the rise of such terms points to an increasingly autonomous and automated technology focussed working environment.

Companies still struggle to establish the Business Partner Model well in place. As none of the three newer ideas really present a ground breaking new theory, but rather all borrow aspects from Ulrich, I therefore decided to focus on the 'original' model.

With this presentation and discussion of critical voices contrasting the strategic offering of the model, I have hoped describe the area of conflict on which this thesis rest. I have also added personal experience to underpin the literature.

2.6 Discussion

The literature review gives a rather disrupted picture of Ulrich's Business Partner Model. Amongst other aspects we have the future prospect of the model which will, if successful, raise HR to a new level.

The prospect of becoming

- A Strategic Partner
- An Administrative Expert
- An Employee Champion
- A Change Agent

and of gaining influence (a seat on the board) met the hopes and wishes of HR staff, who wanted to be influential, strategic and a “real” part of the business. The Business Partner Model seemed to answer the need for this recognition and validation and offered HR professionals clear guidance on how to move out of the field of bureaucracy, how to stop carrying out tasks which did not add value and how to add value and therefore become an esteemed player in the business.

The seat on the board is the place where HR sees itself, not in payroll, holiday admin or form filling. Ulrich’s balanced model was and is helpful to re-organise HR in a way where it presumably becomes automatically strategic. The formula seems to be straightforward – put bureaucracy and administration in a separate format, a service centre, and what remains is strategy, your seat on the board. Already Ulrich (1997) pointed out that all sides of the model are important and that balance is the key for a successful implementation. Thus the simple calculation will not work.

We have seen that companies have started investing in and implementing this model which has created a market in itself. Consulting companies have found a new area of business and auditing firms are now focussing on this target as well. Software suppliers and their consulting divisions have also been winners in this race for Business Partnership. Companies outsourced administration and software needed to be in place to allow the customer to find answers either on the intranet or by making a phone call; the demand for saving costs was reflected by lower salaries which made it necessary to have most questions answered by staff using service-centre software.

The trend of automating the relationship between HR and the employee postulated an intra-HR transition process to be able to deliver the services required by the model in a timely and effective manner. This intra-HR course of action was both time-consuming and costly, as these processes were at least accompanied, if not driven, by consultants. The HR consultant of tomorrow needed consultancy.

The implementation of new ways of service, according to Ulrich’s model, was a product of the late 1990s. This was a time, at least in Germany, when topics such as less bureaucracy, less administration, de-regulation and more marketplace freedom and entrepreneurship were in favour (Stiglitz, 1997). Weekly announcements of thousands being laid off were echoed by increasing stock prices and the erosion of the employee-employer relationship. Having 25 years of service in a company changed from being a

source of individual pride to a matter of individual fatality at being no longer valued in the job market (Rickens, 2012, Hayday 2003).

The internet had its first boom ending in the dot-com bubble of 2000, in which hundreds of (overrated) internet companies imploded. This time of Neo-liberalism (as we call it in Germany) was the right time and place to have HR grow and move to a better, strategic place. Ulrich's idea promised a means to deliver this right away. He offered support for it from his own consulting firm and we have seen that the model (in which ever form) has since spread widely, which indicates that it is a successful product – a 'pot of gold', as many have mentioned before.

Yet many critical voices suggest that the model seems to have been implemented in an unbalanced fashion. The criticism raised is multi-layered and sometimes only addresses certain aspects of the model, or questions the entire approach/future prospect. The large amount of critical literature underlines the topicality of Business Partnering as well as the controversy around it. According to the criticism, the longed-for seat on the board is still out of reach and IT support is inadequate. The new way of service delivery creates problems for those working in this environment: for those in HR whose job it is to deliver the services and for HR professionals who have not become strategic to the extent that was intended (and hoped for).

Brutsch (2013) asked for change in mindset rather than in new titles. This change seems to be a major challenge as the majority of respondents polled called the results of their own transition process into question and said they would still describe themselves as reactive. This does not equate with the idea of being involved with strategy or reflect the language used by Ulrich and shows that there was no change in behaviour; HR stayed administrative with some new IT tools.

The major focus of HR was implementing it correctly, using the tools Ulrich offered. They have the systems in place but the next step seems to be missing. The unbalanced implementation of Ulrich's model created new problems.

After the discussion and the presentation of the area in which this research will take place, the reader is now guided to understand the foundation of the research questions.

2.7 Research questions derived from the literature review

The literature review painted a picture of Ulrich's model and showed that implementing it successfully and in a balanced way requires more than just placing administration in a separate unit. The review showed that in most of polled companies, the impact on strategy is rather small.

The incoherent status quo of Ulrich's model raises important questions about the model itself as well as its outcomes:

1 What is the aim and extent of the implementation of the Business Partner Model in large companies?

The literature review described the drivers for implementing the model and investing in software solutions. However, the literature suggests a shift from abstract values (like becoming more strategic) to more concrete values (like cost saving). This thesis aims to investigate the evidence for this shift in values.

2 How does the Business Partner Model affect employees?

According to Ulrich's model, the commitment of employees should be strengthened; however, this aspect is not apparent or discussed in the literature. Identifying this gap in the existing research highlights the need for further investigation of the relationship between the communities (HR and its customers).

3 How can the Business Partner Model be implemented in a balanced and successful way?

The literature review has shown that there is a gap between hope and reality. While some companies find that the model works very successfully for them, the majority do not. The aim of this Research Question is to ascertain parameters that help to implement the model in a successful way.

2.7.1 How the Research Questions were developed from the Literature Review

The literature review showed that the way HR services are delivered has changed; Jones (1998) called these new ways a "Paradigm Shift" (p.13).

The new way of HR service delivery is paperless and IT focussed. The chapter “The success of the Business Partner Model” as depict in the Literature Review described the reaction of HR departments to the newly introduced model in detail. Several surveys showed that restructuring was intensified in most of companies. Additionally, the chapter explored the use of single aspects of the model like Shared Service Centres or Centres of Expertise and was also complemented by reviewing medium-sized companies.

The first research question was defined as derived from the literature regarding the model’s maturity in the HR world:

Table 14: Research Question 1

Literature	main statement	1. Research Question
Ulrich, 1996	BPM to make HR more strategic and efficient	<p>What is the aim and extent of the BPM in large companies?</p>
CIPD, 2009	53% had restructured HR 81% had restructured in last 5 years Business Partner Model in place	
PwC, 2013	Business Partner Model has spread globally with increasing relevance	
Towers Watson, 2013	33% to restructure HR department to become more efficient 50% use Shared Service	
HR blue, 2009	100% of respondents use BPM	
ISPA, 2002	64% using BPM to become more efficient	

The first research question is based on the literature regarding virtualised HR and investigates the current status. It is intended to give an overview of the goals connected with virtualisation that have shifted from rather abstract ideas like becoming more strategic, to result orientated measurable figures like cost saving.

The second research question emerged from the criticism that was presented in detail in the literature review.

Table15: Research questions 2

Literature	main statement	Research Question 2
Ulrich, 1997 Gratton, 2003 Lawler& Mohrmann, 2003 IES, 2003 Caulkin, 2002 University of Dresden, 2013 Roffey Park, 2014 IRS Report, 1998	HR employee's voice, employees are heard new employment contract negative impact of segmentation capacities of Business Partner unclear HR loses contact to staff Shared Service: latest industrial failure unable to pay vendors HR lacks credibility HR busy with itself	How does the BPM affect employees?

Whereas Ulrich describes a world with a new employment contract and an HR department that listens to employees, recent literature shows that the new HR world seems to lack these aspects. However, the promised results are not realised because IT is not working properly, shared services are off-shored, and HR is often destroyed by the transformation. This research question focuses on how the Business Partner Model affects employees and line managers as HR tasks are shifted to this level.

The literature review revealed the problems occurring with the new model in detail. Therefore, the third research question focuses on the way to successfully implement a virtualised form of HR. Again the foundation of the research question can be found in the literature:

Table 16: Research Question 3

Literature	main statement	3. Research Question
Ulrich, 1996	defines the single roles	How can the BPM be implemented in a balanced and successful way?
Lawler & Boudreau, 2012	no strategic impact	
Pitcher, 2008	dissolving HR	
Woods, 2009	Can HR really contribute strategically?	
Werle, 2012	HR Manager = Bonsai Manager	
ADP, 2015	strategic IT Tools used less	

Although the literature clearly describes problems, related to the implementation of the Business Partner Model, there are few recommendations on how to put it into practice successfully. By developing answers to these questions and by offering paths for a balanced and successful Business Partner approach, this thesis aims to make a useful

contribution to current knowledge. The research questions aim to contribute to knowledge and to generate new knowledge.

2.7.2 Deriving a Research Methodology from the Literature Review

The literature review demonstrated that HR magazines, software suppliers, and companies/institutes (KPMG, ADP, Ernst&Young, Roffey Park, HR blue, SAP, Kienbaum, Society for Human Resources Management, RBL Group, Harvey Nash, CIPD, Haufe, Towers Watson, PWC) regularly execute surveys and publish the resulting data. Those entities use the following methods to gather data:

Table 17: preferred methods by literature sources

	online survey	paper based survey	telephone interviews	in person interviews
KPMG	☑		☑	☑
PwC	☑		☑	☑
Towers Watson	☑			☑
CIPD	☑		☑	☑
HR blue	☑			☑
Roffey Park	☑			☑
ADP	☑	☑	☑	☑
RBL	☑		☑	☑
HR Magazine, Germany	☑	☑		☑
Personnel today, USA	☑			☑
Kienbaum	☑			☑
Ernst&Young	☑		☑	☑
Harvey Nash	☑			☑
Society HRM	☑			☑

Most literature sources / companies use a mixture of methods: personal interviews and surveys. The aim is mostly to support findings from interviews by survey data. The idea of using interviews for my research was thus supported by the way these sources collected the data. In all cases, the object of research is the experience of HR professionals and their interpretation of that experience. This interpretivist perspective underlies the philosophical position and the design of this research, as will be shown in the next chapter.

Chapter Three

Methodology

3.1 Introduction

This chapter presents a systematic, theoretical analysis of the methods applied to my research. Moreover, this chapter contains in-depth information about how I conducted my research.

My research is based on a constructivist position using interpretivism as a theoretical perspective and applies mixed (multi) methods: interviews and a survey.

This chapter is divided into two main parts

- the research philosophy on pages 65 to 70 presenting the theoretical foundation of this research

and

- the research design on pages 70 to 91 explaining the application of the philosophy for the two response groups: experts and professionals.

3.2 Research Philosophy

Introduction

In this paragraph I present the theoretical foundation of my research:

Following Irny and Rose (2005), a systematic, theoretical analysis of methods applied, encompasses concepts such as paradigms, theoretical models, phases, and quantitative or qualitative techniques. Howell (2013) stated that methodology is the general research strategy that outlines the way in which research is to be undertaken and also identifies the methods to be used. Those methods, as described in the methodology, define the means or modes of data generation or how a specific result can be interpreted.

Bryman and Bell (2011) pointed out that “research methods are ineluctably rooted in epistemological and ontological commitments” (p. 629). Gomm (2008, p. 2) added that social scientists “take different positions about the nature of reality and about the possibilities of knowing about this. The nature of reality is often called ontology, knowing about it epistemology” (p.2)”. According to Hughes (1990, p. 11) the choice of method determines the manner of executing data generation and also represents a commitment to an epistemological position of positivism (a fact is discovered) or constructivism (a fact is constructed/experienced).

I investigate the Business Partner Model by individual experiences and thoughts from respondents and thus combine the reality and the perception of it. This will influence my choice of the methods, which will be explained later.

3.3 Philosophical stance

Along Michael Crotty’s (2011, pp.3-4) diagram I explain the development of my philosophical stance and in the summary its implementation in this research.

Table 18: Crotty diagram

Term	Definition	My research
Epistemology	theory of knowledge embedded on theoretical perspective	Constructivism
Theoretical perspective	philosophical stance informing the methodology	Interpretivism
Methodology	strategy, plan of action, design lying behind the choice of methods	Mixed Method Research
Methods	techniques used to gather and analyse data	quantitative + qualitative methods

3.3.1 Constructivism:

In Constructivism reality is described as constructed by individuals based on their personal experience, or “the making of meaning” (Crotty, 2011; p. 42). Constructivism leaves behind the idea of an objective and universal truth. Thus people have different opinions / experiences with the same object. The object I investigate is the Business

Partner Model by David Ulrich (1997) by asking respondents for their experiences and thoughts.

Crotty (2011) defined Constructivism as “all knowledge, and therefore all meaningful reality as such, is contingent upon human practices, being constructed in and out of interaction between human beings and their world, and developed and transmitted within an essentially social context” (p. 42). In line with Crotty (2011) Thines (1987) recognised that we get in touch with reality by a perception of it. The aim of this thesis is to examine the effects on human beings of a current phenomenon (or new reality) that has drastically changed the world of Human Resources (HR) in the last 25 years and to investigate the different ways that people perceive, interpret and construct their new reality.

3.3.2 The theoretical perspective: Interpretivism

Interpretivism or ‘Anti-Positivism’ is often linked to Max Weber (1864-1920), suggesting that human sciences are concerned with ‘understanding’; differentiating between the understanding and explaining approaches. Following from this: the interpretative approach seeks to understand, whereas the explicative approach seeks to explain.

Dilthey (2002) underpins this notion by arguing that natural science seeks to explain and human/social science seeks to understand. Weber (1970; p. 55) points out: “It is the task of sociology to reduce these concepts to ‘understandable’ action, that is without exception, to the actions of participating men” (and women). Thomas (2011) summarises that “interpretivists say that there is no ‘objective’ social world ‘out there’. Rather, it is constructed differently by each situation they face, so it is useful sometimes to see the world as a stage we play out characters” (Thomas, 2011; p. 51) and points out that the interpretative approach means an in-depth understanding and deep immersion in the environment of the subject. (Thomas, 2011, p. 125).

3.3.3 Methodology: Mixed Method Research

Creswell and Clark (2007, p. 7) define Mixed Method research as “a research design with philosophical assumptions as well as methods of inquiry. As a methodology, it involves philosophical assumptions that guide the direction of the collection and analysis of data and the mixture of qualitative and quantitative data in a single study or series of studies. Its central premise is that the use of quantitative and qualitative

approaches in combination provides a better understanding of research problems than either approach alone". Hesse-Biber (2015) adds that Mixed methods can enhance the credibility, merging different methods. Bryman and Bell (2007; p. 643) state that mixed method research is becoming far more common nowadays, as it combines quantitative and qualitative research methods. As a reason for this they especially name "a growing preparedness to think of research methods as techniques or data collection or analysis that are not as encumbered by epistemological and ontological baggage as it is sometimes supposed" (p. 643). They call this 'technical version' (p. 630) focussing on the strengths of data gathering and analysis. The research methods are autonomous and serve the research to its best. Research methods are a tool, to enable me as researcher to collect the data in a most effective and respondent focussed way.

Mixed methods are useful for my research as they allow me to address response groups specifically and triangulate interview finding with survey results. Unfortunately mixed methods mean a more complex approach connected with more time spent on developing response group specific tools.

3.3.4 Quantitative and qualitative research methods

I used an overview by the Northeastern University, USA and Scheibler's (2014) theoretical concept of qualitative and quantitative research to adapt the theoretical concept to my research. The tool was helpful for me to develop a path to execute my research:

Table 19: Northeastern University Research Methods; source: NW University 2015

Criteria	Qualitative	Quantitative	My research
General framework	seek to explore phenomena	seek to confirm hypothesis about phenomena	seeks to explore phenomena
	instruments use more flexible, iterative style of eliciting and categorizing responses to questions	instruments use more rigid style of eliciting and categorizing responses to questions	by using mixed methods: semi-structured interviews
	use semi-structured methods such as in-depth interviews, focus groups and participant observation	use highly structured methods such as questionnaires, surveys, and structured observation	as well as a survey
Analytical objectives	to describe variations	to quantify variations	describes variations
	to describe and explain relationships	to predict causal relationships	describes relationships
	to describe individual experiences	to describe characteristics of a population	describes individual experiences
	to describe group norms		
Question format	open-ended	closed-ended	open-ended and closed-ended

Data format	textual (obtained from audiotapes, videotapes, and field notes)	numerical (obtained by assigning numerical values to responses)	textual (interviews) and numerical (in survey)
Flexibility in study design	some aspects of the study are flexible (e.g. the addition, exclusion, or wording of particular interview questions) participant responses affect how and which questions researchers ask next study design is iterative, that is, data collection and research questions are adjusted according to what is learned	study design is stable from beginning to end participant responses do not influence or determine how and which questions researchers ask next study design is subject to statistical assumptions and conditions	flexible (interviews) and stable (survey) study design is adjusted according to learning

In the following summary my learning from the research philosophy and the reasons for choosing this path and its consequences are explained:

Me as a researcher

Defining my stance in philosophy was a new experience for me as a practitioner.

The process of discussing my theoretical starting point was significant in the development of the entire research. Working in HR I am aware that employees perceive, value and judge on every new way of service delivery; this forms an individual, subjective perception of reality.

I learned that no objective view of this new phenomenon of Business Partnering exists, no universal good or bad, but only subjective individual points of view that are true and real for each person. Therefore, the constructivist approach was the path for me to take to focus on this new phenomenon. Bandarouk supports this approach by stating: “A cornerstone of constructivism is that technology reveals interpretive flexibility. The goal of constructivism is to follow this process and to understand how different interpretations can occur.” (p. 12)

The decision to take the interpretivist approach shapes the entire research, as I interpret the findings from the interviews and the survey. Furthermore the variety of methods offered, constitutes freedom and space to develop the research. The interpretative research approach is useful for me, as I bring along the required in-depth understanding and deep immersion in the environment of the subject, working in HR myself.

Applying the diagram of the Northeastern University to my research laid the foundation for the research design. The qualitative methods were particularly appealing as they offer flexibility and allow the respondent a chance to play an active role in the research especially for the expert interviews. Their theoretical but also pragmatic approach guides the development of the research, adapting the methods to the respondents. The discussion is a fundamental learning, an orientation for me to understand and develop the way through the research.

3.4 Research Design Experts

3.4.1 Introduction

In the former chapter I explained my philosophical stance, in this chapter I explain how, based on a constructivist approach, I apply this philosophy to my research. Using the former diagram helps me to develop my research design:

Table 20: Research design

Criteria	My research	My Research Design
General framework	seeks to explore phenomena by using mixed methods: semi-structured interviews as well as a survey describes variations	mixed methods semi-structured interviews: expert interviews survey: line managers + employees describes variations
Analytical objectives	describes relationships describes individual experiences	describes individual experiences
Question format	open-ended and closed-ended	interviews: open-ended questions survey: questionnaire
Data format	textual (interviews) and numerical (in survey)	transcription quantification
Flexibility in study design	flexible (interviews) and stable (survey) study design is adjusted according to learning	semi-structured interviews questionnaire learning from each method

The research design reflects the experiences from the literature review, which advises how to execute my research. Already in the literature review I explained my learnings from the way literature sources collected data.

In the literature review several expert interviews in academic or professional journals offered a profound picture of the current state of discussion concerning the Business Partner Model. In line with the findings from the literature about ways to gather data, Kvale (2006, p.1) encourages me as researcher to interview respondents by stating: “If you want to know how people understand their world and their lives, why not talk with them?”

In the literature, surveys are used to record the respondent’s perception of the new reality of the Business Partner Model or the use of new IT solutions.

Considering myself a constructivist, seeking to understand subjective perceptions of people’s realities, the approach to use expert interviews and a survey, advised by the literature, seems the adequate path to take, because:

- Experts present their view on the model as well as their experience working with it
- Line managers / employees present their experiences working within the model

With this I not only derive a certain validity by using the same methodology of data gathering as known research institutes, it also follows my philosophical stance, as I give the respondents space to explain their view of reality. Moreover, it creates a duality and thus credibility of those consulting the model and those working within it.

In the following the research design applied for the response groups is discussed:

- Experts
- Practitioners

3.4.2 Experts

Bryman and Bell (2011; p.211) identify experts as “people who were known to have ... certain experience”. A more complex definition is offered by Hitzler, Honer and Maeder (1994, p. 16) as they consider experts as persons having “institutionalised authority to construct reality”. Meuser and Nagel (2009, p.81) define an expert as “a person responsible for the development, implementation or control of solutions / strategies / policies” and add that the person should have “privileged access to information about groups of persons or decision processes”. Other authors state that experts are persons

“having high insight in aggregated and/or specific knowledge” and that they are well connected (“often networked”) and “motivated persons” (Van Audenhove, 2007, p. 5).

The literature review revealed that consulting organisations like Towers Watson, CIPD, Roffey Park, PwC, KMPG (sometimes together with software suppliers like SAP), and HR blue have conducted several studies based on their daily experience working with the Business Partnering Model. In the words of Hitzler, Honer and Maeder (1994) they construct reality in a real sense, as they either accompany implementation or optimise already executed transformation processes.

According to Bogner, Littig and Menz (2010, p. 18-21) setting up criteria to define experts in a respective (research) field is necessary to judge if potential candidates are suitable or not:

In line with this idea I developed criteria for selecting experts based on the literature:

Criteria:

- Ongoing publications on the topic
- Highly reputable organisations, especially in the British segment
- Able to give credibility to the research
- Willingness to participate

Using these criteria, I developed a diagram to compare the companies to be considered:

Table 21: Selection Criteria for respondents

respondents selected	ongoing publications	reputation	creating credibility	willingness to participate
Towers Watson	YES	YES	YES	YES
CIPD	YES	YES	YES	YES
HR blue	YES	YES	YES	YES
Roffey Park	YES	YES	YES	YES
SAP	YES	YES	YES	YES

respondents not selected	ongoing publications	reputation	creating credibility	willingness to participate
ISPA Consult	NO	NO	NO	YES
ADP	NO	NO	NO	YES
HR Magazine, GER	YES	YES	YES	NO
Personnel today, USA	YES	YES	YES	NO
KPMG	YES	YES	YES	NO
PwC	YES	YES	YES	NO

Towers Watson, CIPD, Roffey Park, HR blue and SAP were selected as potential candidates for expert interviews and addressed via their company homepage. The companies appointed the respective contact person, like Head of Research or managers in charge of business partnering projects. A first telephone interview was helpful to introduce my research to them and to value if their experience could be helpful. Next to it the persons named were crosschecked with publications and the company's homepage.

3.4.3 Expert Interviews

The use of expert interviews has long been popular in social research as Bogner, Littig and Menz state (2010, p. 1). Meuser and Nagel (2009; p. 17) define expert interviews as "a method of qualitative empirical research, designed to explore expert knowledge." Lempiäinen (2013; p.3) and Littig (2013; p. 2) recommend semi-structured interviews to give the expert enough space to evolve on the topic which is in line with Bogner, Littig and Menz (2009; p.11) recommending 'narrative interviews'.

3.4.4 Forms of Interviews

As Littig (2013) and Lempiäinen (2013) recommend 'semi-structured' interviews it is worthwhile to have a short look on different forms of interviews and to discuss, if their advice suits my research or not:

Table 22: Forms of interviews

Characteristics	Interview forms		
	unstructured	semi-structured	structured
Direction	without	guided by interviewer	strict
Response similar to	freely general conversation	focussed on topic focussed conversation	strict focus on question questionnaire
Basis	broader question interviewee free to address what he/she wants	interview guide questions, but flexible to change	fixed questions questions, but inflexible

Role of interviewer	listener passive, limited in participation	partner active, rather unlimited in participation	inquirer active, unlimited in participation
Role of interviewee participation	talking freely active, unlimited in participation	focussed talking active, rather unlimited in discussion with interviewer	data producing passive, limited in participation
sort of question	open ended, unfocussed	open ended, focussed	closed, focussed

The diagram summarises findings from Bryman and Bell (2011, pp. 466-472), Saunders, Lewis and Thornhill (2012, pp. 372-386) and Creswell (2007; pp.130-134).

Whereas the unstructured interview limits the researcher to the role of a listener, the structured one reduces the role of the respondent to mere data production, which I did not find applicable when interviewing experts. From my perspective I considered it contradictory to actively limit experts in contributing to this thesis, yet it was necessary that the interviews keep focus on the topic.

As there was just a one-time chance to interview experts, the interviews needed to provide all necessary information relevant to my research; therefore I had to be able to guide the interview and to influence its flow.

As a conclusion semi-structured interviews were the way for me to conduct the research, which followed not only Littig's and Lempiäinen's recommendation but is routed and anchored in the literature as well; as the (expert) interviews are all semi-structured (open question – free answer). This result is underpinned by Easterby-Smith et.al (2008) and Jankowicz (2005).

3.4.5 Preparation of the interviews

In this section I summarise the steps necessary to conduct the interviews. Before contacting the experts via their company homepage it was important to develop an interview guide, as a guideline for me as a researcher and as an information tool for the interviewees.

Expert Interview Guide

Interview Phase	Content / Questions
Introduction	Explaining background and purpose of research and interview Creating a positive atmosphere and common basis for interview Assuring ethical responsibility
RQ 1 What is the aim of the implementation of the Business Partner Model in large companies?	Please give some information about the company, expertise, etc. Please describe the development of the HR transition and the current state. Which goals are connected with the HR transition? Can any company implement the Business Partner Model?
RQ 2 How does the Business Partner Model affect employees?	What is the focus of the HR transition: High Tech or High Touch? What is the value of the employee in the process? Are employees affected by the Business Partner Model, and if so, how?
RQ 3 How can the Business Partner Model be implemented in a balanced and successful way?	Are there criteria for a successful implementation? Are there adjustments of the model / diversifications of the model? Is HR currently “strategic”? Is HR a value driver? How could HR increase job satisfaction?
Wrap up	Ability to add any other thought Questions from the interviewee Thank you and appreciation for time

3.4.6 Rationale for the Interview Guide

According to the slogan “prior planning prevents poor performance” (Saunders, Lewis and Thornhill, 2009, p. 384) an interview guide is developed which merges two organisational areas: the questions themselves and the sequence of the interview.

The interview guide is a summary of all questions “that need to be answered within the interview. Yet neither the exact wording nor the sequence is mandatory” (Gläser, Laudel, 2009, p. 42). The following figure tries to explain how the interview questions are developed:

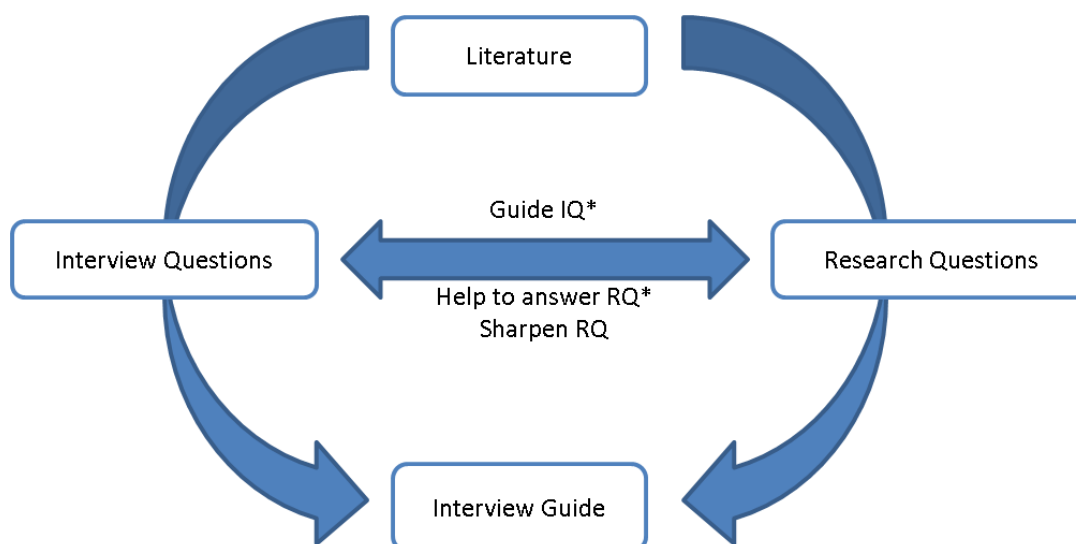


Figure 1: From Literature to interview guide

The literature lays the foundation for the research questions, which at the same time give a topic based guideline for the interview. The interview questions are sub forms of the research questions; addressing single aspects of it yet overall helping to answer the research question, this is in line with Silverman’s thought, not to mention the research question directly (Silvermann 2013, p.206).

As stated before the research questions serve as headlines organising the interview’s sequence.

3.4.7 Sequence of the Interview

Several authors like Saunders, Lewis and Thornhill (2009, pp. 389-393) or Creswell (2007; pp. 129-135) stress the importance of the sequence of the interview as a framework informing and constituting an atmosphere supportive to the interview, “as the first few minutes of conversation will have a significant impact on the outcome of the interview” (Saunders, Lewis and Thornhill (2009; p. 389)). In the opening and wrap up part of my interview guide I consider these impacts and, for the purpose of giving the experts a feeling of security and trust, implemented a part for ethical considerations.

3.4.8 Ethical Considerations

Research ethics are according to Saunders, Lewis and Thornhill (2009; p.680) “the standards of the researcher’s behaviour in relation to the rights of those who become the subject of a research project, or who are affected by it”.

The standards or in other words the way in which I treat the experts is based on a synopsis of different recommendations from various authors. Saunders (2011, pp. 246-247) e.g. suggests a checklist of nineteen different statements concerning ethical issues. Kvale (2007, pp.24-25) raises ethical concerns at different stages of a research; Bryman and Bell (2007; pp.122-145) like Gläser and Laudel (2010, pp.48-59) dedicate an entire chapter to ethics in business research.

Based on these numerous literature sources I develop my ethical stance and the foundation for the way respondents are treated leading to an interview consent form. My ethical considerations are:

Table 23: Ethical Considerations

Criteria	Expert / Professional
Level of information	understands focus of study
Transparency	understands goal of researcher, research approach and process
Participation	has all rights to ask questions about the researcher and the study
Limitation for research	statements are only used for this research, no other publication
Protection of personality	data is protected, kept secret and anonymous
Voluntariness	participates voluntarily, without any force
Withdrawal	can withdraw from study / interview at any time
Data collection/recording	understands that interview will include audio recording

The diagram sums up the different sources and demonstrates the adaption of ethical considerations in my research. With an informed respondent, understanding the focus of the research, the process and the research approach, it is possible for me to receive the data necessary for my research. This means that I have to inform respondents about the topic, content and focus of the research. As they are participating voluntarily, I have to create a field of attraction, so they are willing to be interviewed (and audio recorded). It is a matter of course that I protect their personal data and that they can abandon the interview / or the entire participation in the study at any time. Thus my behaviour has to show appreciation for their participation and keep their interest up during the interview.

As mentioned before my ethical foundation found access into an Interview Consent Form:

I used Bryman and Bell's (2007; p. 135) sample for the interviewees stating:

- I, the undersigned, have understood the Study's focus and all information provided therefore.
- I have been given the opportunity to ask questions about the study.
- I understand that taking part in the study will include being interviewed and audio recorded.
- I voluntarily agree to take part in the study.
- I understand that my personal details such as name and employer will not be revealed to people outside the project.
- I understand that the use of my words is limited to a doctoral study and will not be used for any other publication.
- I understand that I can withdraw from the study at any time.

Summary / Interviewing

With this the reader has received an in-depth insight into the expert interviews focusing on the interview guide, its questions, how it was prepared and the sequence of the expert interviews. In addition, the reader is now familiar with my ethical foundation and able to understand on what basis I conducted the interviews in spring 2014.

The interviews were recorded in London (CIPD and Towers Watson), Horsham/UK (Roffey Park), Munich (HR blue) and finally Waldorf/GER (SAP).

3.4.9 Data analysis

Introduction

In this section I present the way the rich data from expert interviews was processed from audio recording via transcriptions to themes that lay the basis for drawing findings and results from it in the chapter 'Findings and Results'.

3.4.10 Transcriptions

The audio recordings were (externally) transcribed and re-read by the researcher as well as by the interviewee. The transcript was processed to:

- Increase clarity: unclear statements to be clarified with interviewee
- Delete side effects: telephone calls, people disturbing the interview
- Delete non-relevant passages: laugh / coughs / verbal habits / comments not related to research

Processing the transcript is a normal procedure to bring statements into a more comprehensive language or to sharpen the statement. The respondents received the “raw data version” of the transcript and the processed one. The signed-off processed transcript found access into this research and into coding.

3.4.11 Coding

Definition:

Bryman and Bell (2011) defined coding as “the process whereby data are broken down into component parts, which are given names” (p. 712). For them it is “the starting point for most forms of qualitative data analysis” (p. 584). Saunders et al. (2007, p. 671) stated that it is the “analysis or re-analysis of data to identify which of the initial codes may be used as higher-level codes to categorize longer units of data” (p. 671).

In other words, coding is reducing longer units of data to their essence and categorizing them under specific conceptual subheadings or themes (the code). Saunders et al. (2007) also described the process of open coding; text should be “disaggregated into conceptual units and provided with a label” (p. 569).

Execution:

Table 24 : screenshot from Nvivo11

Name	Sources	references	by
Strategic Operational HR	3	9	ALI
State no driver in Britain	2	3	ALI
SSC and Outsourcing	1	2	ALI
Stuck in Service Centres	2	9	ALI
Software has the capability	1	2	ALI
SAP History	1	7	ALI
Outsourcing	2	6	ALI
no cost saving	3	5	ALI
Need for Service Centres	3	6	ALI
cost efficiency	2	2	ALI
Problems in Implementation	5	54	ALI
why	1	2	ALI
problems in implementing	4	45	ALI
how BPM is impl successfully	5	62	ALI
Hr being restructured the latest	3	4	ALI
how	2	2	ALI
BP renamed HR professionals	1	1	ALI
Operational foundation for strategy	3	4	ALI
Leadership in HR	4	18	ALI
Future HR	4	35	ALI
vana	1	1	ALI
the future	5	78	ALI
HR transformation is...	3	9	ALI
HR on demand	3	15	ALI
customizing from model to individual need	3	4	ALI
COE	1	2	ALI
BPbiggestavlue of HR tansf	2	4	ALI

In the following I describe the way I coded the transcripts.

- Upload of all transcripts into NVivo software
- First Coding: Allocation of codes to specific statements
- Second coding: Re-allocation, correction and condensing the codes to a manageable number (in my case: nine codes)

The purpose for doing so is, according to Gibbs (2012, p.39) that “the text coded with the same label can be retrieved to combine passages that are all examples of the same phenomenon, idea, explanation, or activity. This form of retrieval is a very useful way of managing or organising the data, and enables the researcher to examine the data in a structured way”.

This structured way is helpful to move the data from coding to analysis as, again Gibbs (2012, p.39), “the codes can be used when developed into a hierarchy, to examine further kinds of analytic questions, such as relationships between the codes (and the text they code) and case-by-case comparisons”.

The analytical part is thus not the coding itself, this is the technique, but “to examine further kinds of analytic questions” (Gibbs, 2012) and yet the next topic the reader is informed about in the following.

Analysing interview data

Defining the codes was an inductive process that made it necessary to re-read the transcripts several times, which means a time-intensive process leading to nine themes.

Table 25: Codes

Name	Sources	References	Date	Set up by
Strategic Operational HR	3	9	26072015 10:41	ALI
State no driver in Britain	2	3	26072015 12:54	ALI
SSC and Outsourcing	1	2	26072015 10:36	ALI
Problems in Implementation	5	54	26072015 12:37	ALI
Operational foundation for strategy	3	4	26072015 10:42	ALI
Leadership in HR	4	18	26072015 12:44	ALI
Future HR	4	35	26072015 10:45	ALI
COE	1	2	26072015 12:25	ALI
BPbiggestvalue of HR transf	2	4	26072015 12:23	ALI

The codes helped answering the research questions. They worked as a useful aid to find the essence of each interview and to present similarities or contradictions. Yet as I stated in the introduction a holistic view on Business Partnering is my aim.

In line with this holistic idea the nine codes are merged into three major themes directly connected with the research questions:

Table 26: Codes and subheadings

code #	Code	Relaunching HR	Challenges & Threats	HR at the crossroads
1	Strategic vs. Operational HR	X	X	X
2	State as a driver	X		
3	SSC and Outsourcing	X	X	X
4	Business Partner	X	X	X
5	Problems in Implementation	X		
6	Strategy	X	X	X
7	Leadership	X	X	X
8	Future HR			X
9	COE	X	X	X

This table shows that codes address mostly more than one theme, as certain statements in one code from an interview can inform several themes.

Summary

With this the response group “Experts” is investigated. The section demonstrated how I applied the methods deriving from the philosophy in my research. It showed connections to literature and similarities to methods used by other authors. It explained not only how but why the methods are used and how they helped me to conduct my research. To connect with the beginning of this chapter I condense the discussion to present the implementation of the research design for the expert response group for a better understanding:

Table 27: Expert group: Summary

Criteria	My Research Design	EXPERTS
General framework	Mixed Methods semi-structured interviews: expert interviews survey: line managers + employees describes variations	semi-structured interviews with: Towers Watson, CIPD HR blue and SAP
Analytical objectives	describing individual experiences	describing their experiences with Business Partner Model
Question format	interviews: open-ended questions survey: questionnaire	open-ended questions according to interview guide
Data format	transcription quantification	transcription and coding
Flexibility in study design	semi-structured interviews questionnaire learning from each method	learning from experiences and judgements of experts to form findings and theoretical framework of current appearance of Business Partner Model

With this diagram the practical translation of the rather theoretical design approach is obvious.

The following section 'Research design: Professionals' introduces the reader to the second response group: line managers and employees.

3.5 Research Design: Professionals

3.5.1 Introduction

In this chapter I present the second response group: professionals and how I collected data from them based on the previously presented research design approach:

Table 28: Research design: professionals

Criteria	My research	My Research Design
General framework	seeks to explore phenomena by using mixed methods: semi-structured interviews as well as a survey describes variations	mixed methods semi-structured interviews: expert interviews survey: line managers + employees describes variations
Analytical objectives	describes relationships describes individual experiences	describing individual experiences
Question format	open-ended and closed-ended	interviews: open-ended questions survey: questionnaire
Data format	textual (interviews) and numerical (in survey)	transcription quantification
Flexibility in study design	flexible (interviews) and stable (survey) study design is adjusted according to learning	semi-structured interviews questionnaire learning from each method

Connecting to the ideas of the research design this chapter explains the translation into practical steps.

3.5.2 Professionals

The response group consists of line managers and their team members (employees) to conclude the entire picture. Both form one group as recipients of services within the Business Partner Model, working in a newly transformed environment.

The response group is rooted in Ulrich’s model itself, where line managers play a major part, with HR tasks being shifted to them and HR, in form of the Business Partner, supports them when needed. Like line managers, employees experience the change in HR service delivery. Shared service centres, as the main contact point for employees, have taken over most of the daily routine HR tasks, often without any face-

to-face contact with their customers. At the same time line managers are employees as well and as such are addressed by the service centre.

As mentioned just now, the response group is directly derived from Ulrich's model (1997). Moreover, professionals play a major role in the literature as well, as they participated in several surveys quoted in the literature review (from CIPD, Roffey Park to ADP or KPMG). Professionals are a sounding board receiving feedback on the effects of Business Partnering and the use of the new way of service delivery. Using a survey allows me to collect data in a larger amount (in my research: 25 respondents) and to compare the results from the survey with the statements from the experts.

3.5.3 Criteria

Similar to the other response group, criteria directly is rooted in Ulrich's model and the literature, and is set up to define and select the respondents.

The respondents should:

- Work in a larger company ("Konzern" = combined company)
- Work with a shared service centre, Business Partner and centre of expertise
- Have experienced the pre-Business Partner era
- Have an overview that enables them to judge broader aspects of the model (e.g. strategic impact of HR)
- Have experienced the transformation phase of HR

The literature review showed that larger companies often pioneer developments. As a part of the elementary knowledge to answer the respective questions the respondents need to have experience with parts of the Business Partner Model. Employees will have more contact with the shared service centre, whereas the line manager will have contact with all 3 levels.

Respondents have to have knowledge about HR service delivery in the pre-model era, which focussed on face-to-face contact in order to judge on differences to evaluate HR's new role to be more strategic than before.

The respondents were addressed via personal contacts in large German companies having the Business Partnering Model in place and using all three segments asking

them to roll out the survey to colleagues. This is in line with the way I was asked by polling companies to “snowball” surveys and newsletters into the HR community.

3.5.4 Ethical considerations

For the sake of completeness I remind the reader of the section on ethical considerations, where issues for both response groups have been considered.

3.5.5 Questionnaire

The reader was informed about quantitative research methods at the beginning of the methodology chapter and in the introduction to the research design. Thus, I just comment very shortly on quantitative methods as a reminder:

Quantitative research is defined by Bryman and Bell (2005) as “entailing the collection of numerical data and exhibiting the view of relationship between theory and research as deductive, a predilection for natural science approach, and as having an objectivist conception of social reality” (p. 154). According to Bryman and Bell (2011), the most popular research methods from this category are closed-ended questionnaires, experiments, or correlation. Gomm (2008, p. 129) assists: “Surveys are attempts to produce accurate estimates” and Silverman (2013, p. 448) supports this by defining surveys as “a quantitative method involving the study of large numbers of people, often through the use of questionnaires.”

Bryman and Bell (2011) defined a questionnaire as a “general term including all data collection techniques in which each person is asked to respond to the same set of questions in a predetermined order” (p. 679). Classical forms are self-completed questionnaires (without the researcher present) or online questionnaires (using a web-based tool).

In my research a self-completed questionnaire was used to collect the data necessary for this research. The survey was tested in a pilot on a small scale of 5 respondents to prove if questions were easy to understand and then rolled out to a larger response group.

3.5.6 Designing the questionnaire

Saunders et al. (2012) stated that “a valid questionnaire will enable accurate data that actually measure the concepts you are interested in to be collected” (p. 428).

My questionnaire consists of three parts:

- Cover letter / Explanation about special terms
- Personal data of respondent (untraceable) for later clustering
- The questions

Questionnaire Part 1: Cover letter / Explanation

Thank you very much for volunteering to participate in my research!

Dear Respondent,

Thank you very much for agreeing to participate in my research. The attached questionnaire will take around 15 minutes to complete and will give me an insight into the effects of virtual HR-service delivery in big companies.

All data given by the questionnaire is kept strictly confidential. I guarantee that individual respondents will not be identifiable as I will not ask for details like name, company name or job title. In case of doubt, you are invited to comment on a question, if ticking a box is not sufficient for you to answer it.

This questionnaire is used for academic research only. You will find explanations of special terms at the beginning of the questionnaire.

Thank you again for your support

<p>Definitions of terms:</p> <p>Line Manager: employed person, with staff responsibility Employee: employed person, without staff responsibility</p> <p>Service Centre A Service Centre (SC) is normally a Call Centre, where employees can call in order to get questions answered or to get requests executed. In general, a ticket system is installed. The Service Centre can be organised locally, nationally, or be outside the home country of the employee.</p> <p>Business Partner The Business Partner is a strategic partner that works primarily with the line managers. He supports those in all questions of HR with a clear focus on strategic issues.</p> <p>Centre of Expertise The Centre of expertise takes over all HR development and training issues. It is set up to develop company training programs and to maintain overall standards</p> <p>Virtualisation HR service delivery by the use of IT, Service Centres without or with limited face-to-face contact.</p> <p>Please answer all the questions by: Putting a tick in box, like this..... <input checked="" type="checkbox"/> Or by providing details which can be put on the back of the questionnaire if necessary</p>

The opener of the questionnaire, just like the introduction part in interviews, tries to establish a general impression of the purpose of the survey and to assure confidentiality, which was discussed under ethical considerations before. The rationale for a definition of terms is to create a common ground of understanding, so the respondent uses the same language as the researcher.

Questionnaire: Part 2 Personal data

<u>The Respondent:</u>			
Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female	
Job Position	<input type="checkbox"/> Line Manager	<input type="checkbox"/> Employee	
<u>Age-group:</u>			
<input type="checkbox"/> 20-29 years	<input type="checkbox"/> 30-39 years	<input type="checkbox"/> 40-49 years	<input type="checkbox"/> 50+ years
1. Is HR organised by			
Business Partners (BP)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
A Service Centre (SC)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
A Centre of Expertise (CoE)	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Other			
Since when has BP / SC / CoE been in place?			
2. How many times (on average) do you contact the			
Business Partner?	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
Service Centre?	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
Centre of Expertise?	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
<small>(scale: 1 weekly, 2 less than once a week, 3 once a month, 4 seldom, 5 not all)</small>			
Other.....			
3. How satisfied are you with the service provided by the			
Service Centre	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
Business Partner	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
Centre of Expertise	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5
<small>(scale 1: very much 2: very 3: quite 4: not 5: not all satisfied)</small>			
Other			

Here the respondent informs, anonymously, provides personal data that might be helpful to cluster results afterwards. The data part here confirms that respondents work within a Business Partner Model environment with all three segments in place and have contact with these segments. This is essential to fulfil the research purpose and

serves at the same time as a selective element. Finally, the overall rate of satisfaction enables an easy access to the questionnaire.

Questionnaire: Part 3 Questions

- 4. In your opinion, since the introduction of the SC / BP / CoE**
 - a. Do you have better access to information?
 - b. Would you prefer to have an HR rep in person present?
 - c. Have administrative processes improved?
 - d. Do you spend less time on administration?
 - e. Do you think that the HR new structure works according to your needs?
 - f. Does the new structure increase your job satisfaction?
 - g. Would you like to have more virtual HR services been provided?
 - h. Has the original HR department been downsized?
 - i. Has the original HR department freed up to become more involved in strategic decision making?
 - j. Would you say that HR has been unable to provide routine tasks during the transformation?
 - k. If so, did this damage the credibility of your HR department?
 - l. Do you think that the HR function after transformation has lost contact with staff?
 - m. Has the new virtual HR department become more important than before the transformation?
 - n. Does the new structure make a positive difference?
 - o. Do you agree with this statement: "The HR function in general is becoming increasingly virtualised"

These questions are rooted in the literature as well, like the interview questions:

Table 29: Survey questions

Theme	Relaunching HR	Challenges and Threats	HR at the crossroads
Questions	e; j; k	a-f; h; i; l-n	g; o
Research Q.	1	2 and 3	3
Foundation in Literature	Ulrich, 1996; Gratton, 2003; Lawler&Mohrmann, 2003; IES, 2003; Caulkin, 2002; Roffey Park, 2014; Dresden University, 2013; IRS Report 1998; ADP 2015		Ulrich, 1997; Lawler & Boudreau, 2012 Pitcher, 2008;Woods,2008 Werle,2012;ADP, 2015

The questions are summarised in headlines or themes, addressing a similar topic. They address in specific

- Relaunching HR: the implementation phase and realisation of Ulrich’s model
- Challenges and Threats: critical voices and their feedback from respondents
- HR at the crossroads: the future prospect of HR and the further technological development

The survey was initiated on October 1, 2015 and ended on November 10, 2015. I addressed 30 potential respondents from which 25 wished to participate, a response rate of 83%. The 30 potential respondents were addressed by normal post sending the cover letter along with the questionnaire and a post-paid cover addressed to my home.

3.5.7 Data analysis

After receiving the data, the answers were recorded using MS Excel. The survey results are presented “Results and Findings” chapter.

Summary

Both groups inform about their experiences and views on Business Partnering and how they perceive the new reality as a working environment. Both groups help to answer the research questions, and moreover, help to formulate a contribution to practice and theory.

Though different research approaches are combined in my thesis they complement each other and support me. At this stage I want to summarise the different practical steps in the following diagram:

Table 30: Experts and professionals: design synopsis

Criteria	EXPERTS	Professionals
General framework	semi-structured interviews with: Towers Watson, CIPD HR blue and SAP	questionnaire for line-managers and employees as recipients of HR services describing their perception of Business Partner Model reality in their working environment
Analytical objectives	describing their experiences with Business Partner Model	describing their experiences with Business Partner Model
Question format	open-ended questions according to interview guide	questionnaire with ratios
Data format	transcription and coding	quantification

Flexibility in study design	learning from experiences and judgements of experts to form findings and theoretical framework of current appearance of Business Partner Model	learning from evaluation of respondents comparison with experts opinions to form results and theoretical framework of current appearance of Business Partner Model
------------------------------------	--	--

This diagram does not only bring together both groups and demonstrates vividly how mixed methods can serve the same purpose. The use of different methods is justified in the response groups themselves. As experts bring in a wide range of different experiences from various projects, professionals are focussed on their personal working environment. Interviews give experts a wider space to express themselves and tell more about their views and thoughts; enriching my research, the survey gives feedback on the result of a consultant’s work. The duality of this approach, as well as of the response groups, proved to be a great tool to conduct my research and made it manageable to a certain extent.

In concert, the systematic literature review, including many critical voices and the response group specific approaches improve the quality of evidence generated and displayed in the findings chapter.

In the next chapter, findings and results of interviews and survey are shown. Based on the three themes: Relaunching HR, Challenges and Threats and HR at the crossroads, a framework of the current perception of the Business Partner Model is developed.

Chapter Four

Findings and Results

4.1 Introduction

In this chapter I present and discuss the findings from the expert interviews and the results of the survey, based on the three conceptual themes introduced in the Methodology chapter:

Relaunching HR Challenges and Threats HR at the crossroads

This chapter is divided into three sections

- 4.2 Detailed data presentation
- 4.3 Analysis of themes
- 4.4 Summary and analysis of the findings

The interviews, as well as the survey can be found in the appendix.

The detailed data presentation offers the reader a deep insight into the data material and connects the interviews with the survey. Based on statements from the interviewees and the survey, a picture is drawn per heading describing the opinions, experiences, recommendations and doubts of the respondents. The rich data is presented in tables to enable a better overview and facilitate the comparison of statements from different respondents.

This overview is summarised to four major topics addressed by the respondents that then are analysed in the following sub-chapter (4.3 Analysis of the themes). These themes are:

Table 31: Themes

Themes	
1	BP varies according to size very diversified HR latest to be changed
2	Contribute or disappear: customer must benefit missing overlap between claim and reality
3	Inside Business Partnering: lacking permeability
4	New technologies require new working culture: the opportunity for HR

4.2 Detailed data presentation

Introduction

In this section I pay tribute to the rich data and invite the reader to have a detailed look into the development of the key findings.

This subchapter again uses the 3 themes as categories where interviews and survey respond to:

Relaunching HR Challenges and Threats HR at the crossroads

The themes emerged from the literature review addressing different stages in the process of transformation, focussing on the use of new software programs (like ERP systems) and a segmented HR service delivery based on the Business Partner Model.

The key points for the theme 'Relaunching HR' ask for:

- Current state of transformation
- Goals connected with HR transition
- Diversification of the model

These key aspects serve the purpose of answering the first research question about the aim and extent of the implementation of Business Partnering in large companies. The findings from both response groups highlight the issue, whether the new structure can obtain acceptance or if employees experience it as a foreign object they must work/live with. Deriving from the expert's insight I can interpret effects (positive or negative) on employees and thus understand the parameters for a successful Business Partnering. Subsequently the key statements of each theme per interview are presented and interpreted, followed by a synoptic presentation of the survey findings.

Relaunching HR

The polling, research and teaching institute Roffey Park points out that Business Partnering *“varies according to the size of the organisation, their history and their sector”* and highlights that *“there was something really, really important about the why”*.

The importance of the *“why”*, the motives, is stressed furthermore when they argue that organisations *“are serious about what HR can offer, but haven’t yet found a way to make it happen”*. They explain that *“a clear business strategy to approach HR in a different way”* constitutes the foundation for being successful, in contrast to those undertaking it just, *“because it was the fashion”* or due to *“cost savings”* as *“they were less likely to be reporting successfully.”*

Overall Roffey Park describes organisations as *“really serious about wanting to do HR in a different way”* and suggests that *“organisations that were approaching it almost in an iterative, cyclical process were more likely to be reporting success than those that approached it just like putting a memory stick in a laptop.”*

As stated, Roffey Park stresses the drivers/motives and the need to have an idea of where HR is supposed to go. Per their definition, success in the Business Partner Model is connected to finding a way of making it happen based on a *“clear business strategy”* in contrast to those undertaking it due to trend reasons or external drivers (e.g. change in overall software system, or cost pressure).

Roffey Park suggests that the initial point of transformation is clarity about the *“business case, the model to be adopted and the outcomes”*. They particularly ask about *“the roles, people and responsibilities people will be adopting”* as well as their understanding of it. Further on they ask for *“success measures.”* In addition, they assert that a successful implementation is based on the way (the *“how”*) it is approached and recommend *“an iterative, cyclical process”* as a supportive element. Problematic implementation is linked to the way that the transformation was managed at its inception.

At this point I would like to summarise the findings from the Roffey Park interview:

Table 32: Roffey Park

Key Questions	Roffey Park
Current state	varies according to size, sector, history
Diversification	specific to size, sector, history
Goals	motives define/decide about achieving goals; contribute to business success

The specific characteristics and goals of single organisations define the current state of Business Partnering. The adaptation of the model thus follows these requisites and brings in an underpinning idea of diversified models under the headline of the Business Partner Model. An important finding here is that it the motives and goals of each company decide about the success of the implementation of the Business Partner Model and the way the implementation process should be executed, namely in *“an iterative, cyclical process.”*

HR blue, a German consultancy company experienced in accompanying Business Partnering processes, stresses that *“most of the companies that started very early with this, were normally combined companies („Konzernunternehmen“).*” In addition, HR blue addresses the motives for change as well: *“They had to restructure drastically due to the implementation of Business Matrix structures. In the context of cost pressure and focussing on core competencies the three-box-model was realised. These companies have completed redesigning and implementation.”* According to HR blue, large companies have concluded these processes and the Business Partner Model has become a reality for their employees. It is worthwhile noting that HR blue addresses restructuring, cost pressure and focus on core competences as drivers for such a development. They complete this idea by mentioning that *“it is not only HR which is changing, HR is mostly the last segment being attached ‘somewhere’ (“irgendwo”) to the technical platform.”* The topic addressed is of interest, as HR is attached somewhere. This statement can be interpreted as HR being considered as the least important segment; yet it also addresses that HR therefore has had enough time to observe the development within the company and thus had a long time to

prepare for its transformation. Moreover, in this we find an indication that HR was not involved in the overall restructuring decision which points to a missing strategic impact or influence at the time the decision was taken.

In respect to diversification HR blue adds that they are *“basically always sceptical, when a new model comes around the corner, a fit for everyone.”* In contrast to simply adapting to a new model they *“encourage ... customers to get inspired by the model, and if it fits, to implement it; but if so, then according to all the rules. The entire model only works properly, when realised as planned (by Ulrich). If you deviate from the model then you need a new one that has to be thought through till the end.”*

The needs of the single organisation define the extent of adaptation and changes of the original model, which, according to HR blue, leads to a new model. Given this, a best-fit-adaptation of the model would mean variations of it, all being covered by the major term of Business Partnering, yet specifically and –to a certain extent– deviating from each other.

Table 33: HR Blue

Key Questions	HR blue
Current state	completed in large companies, with HR to be latest to be attached
Diversification	best-fit-approach thus varying individually leading to a new model
Goals	answering external pressures like: restructuring, cost efficiency, demands

The well-known British Chartered Institute of Personnel and Development (CIPD) confirms *“that how people are trying to organise themselves is vary varied”* and refer to parameters already mentioned: *“Particularly if you look at our membership then there are those large organisations which might go down the sort of Business Partnering – or some variation of the business partner shared service centres of expertise type model. But actually a lot of our memberships are not in that scale or size*

of organisation where they would look at all those different aspects. They are not big enough that they would have a big shared service or centres of expertise.”

This statement confirms the idea of diversity within the model due to size and implies an ongoing adaptation of the model to specific company needs. It endorses the idea that HR is driven/forced to transform by stating that *“to a certain extent it is not driven by HR; it is driven by finance or procurement or some other big area.”* They continue by mentioning that because of this passive role, being driven to transform, *“HR can get thrown into the package as part of looking at it from Finance or Procurement or becomes a sort of final part and that’s again possible when the language starts to get used.”* In the final part of the transformation process, HR thus adapts terminology from other divisions that *“wouldn’t have been applied if [they had] just looked at HR sort of on its own”*. This notion goes beyond the idea of being the final part to be transformed, as we have learned from the other interviews. It again strengthens the tone that HR is being restructured in due course within a larger process, yet it is even forced to adapt its language to other segments, a thought that was also raised by the literature.

In the interview CIPD commented on motives believing that *“a lot of HR functions have looked at themselves and thought that they needed to redefine how they contribute to the business. That is why they wanted to reorganise, restructure themselves in achievement to that.”* The contribution to business as a goal of transformation does not automatically contradict the external driver of an overall change as *“others have, since, this being a sort of shared service, a cost-effectiveness driven approach, it was quite possibly initiated somewhere else: in finance, procurement, IT or somewhere else. A package solution has an HR element included, but then it [the transformation process] wouldn’t necessarily have been initiated by HR. It would have been initiated by somebody looking more broadly at an organisation’s cost efficiency.”*

In other words, the package solution of a new ERP software system, as an external driver, might be a stimulus for HR departments to rethink their contribution to business and to develop new structures, processes and to thereby improve their contribution. On the other hand, the lack of involvement in the decision process to invest in such an ERP solution expresses the missing strategic impact of HR at the point of decision making. The introduction of a new language at this stage might be an expression of the new thinking and even support the transformation.

Another aspect brought up by the CIPD is downsizing, as less employees are asked to do more: *“So actually it is a case of trying to do more with less.”* The hope to receive *“some more resources”* to be able to fulfil its potential is challenging as CIPD already defines cost pressure as one of the motives for the transformation. To abolish the positive cost effect after reducing staff by increasing the headcount is quite contradictory and must be called into question. Thus *‘short-termism and reacting’* will either stay or the conflict needs to be resolved by improved technical tools demanding new developments from software suppliers, like SAP.

Table 34: CIPD

Key Questions	CIPD
Current state	varies according to size; latest to be changed; change in language and contribution
Diversification	very diversified models within the model
Goals	external drivers force HR to change; opportunity to rethink HR; new forms and ways of an improved contribution; with less professionals under pressure

Towers Watson stated in the interview that they are convinced that *“during the mid-nineties up until the early 2000s HR transformation was an overused word and that people were thinking in three to four year projects.”* The focus was, according to Towers Watson *“more along the line”* or in other words *“to strip this down and build a backup.”* With *“a lot of the larger companies gone through that”*, Towers Watson sees that *“the clocks of the HR transformation have changed.”* The new focus is *“not so much on these large multi-million dollar projects, but rather centres on achieving the right few things.”*

The first focus within the transformation from classical HR to the new Business Partnering Model dealt with organising and learning how to bring in the new structures and systems. Now the shift is less organisational but result oriented or as Ulrich (1997)

labelled it “focussing on deliverables”. Thus, so Towers Watson “an assessment of HR” is necessary to understand “*what is working, what is not working, what needs to change and then: taking a look very methodically.*”

As a result of this assessment a downsizing process might occur, as Towers Watson concludes, “*to take a look at less HR, which is going to be less people that are there for interim help, and then you have these COE’s (Centre of Expertise) that help design programs and policies.*” With this the personal face-to-face contact ends: “*You don’t need to talk to someone. You really don’t.*” The new reality constructed in Ulrich’s model becomes actual reality, with a strong emphasis on automation and digitalisation.

To summarise the interview, I present major findings:

Table 35: Towers Watson

Key Questions	Towers Watson
Current state	major projects completed; focus on right things; assessment of HR deliverables
Diversification	best-fit-approach; focus on small scale rather than big projects
Goals	become strategic, contribution to business by focus on the right things; focus on deliverables; bring BPM to life with less HR professionals

SAP, one of the biggest software suppliers worldwide, enables such deliverables with their ERP software and believes that “*its success depends on the Head of HR, him/herself*” during the implementation phase (and further on). They identified the central challenge of HR is facing the question: “*How can we get out of this reactive stuff? (Wie können wir aus diesem reaktiven Kram raus?)*” Underpinning that SAP is used mostly in larger companies the clear goal is “*to work more strategically, to have a business approach, to add value to business success.*” And to define: “*How can we do that?*” The clear idea about what success means and how to achieve it seems to be a key aspect, especially in the beginning of the transformation. SAP is convinced that they offer HR all IT tools necessary to focus on outcomes. With the new tools HR

can do the right things. For SAP this means “*understanding business strategy.*” Or in other words: “*Are we part of an aggressive growth strategy, or do we want to grow step by step? Or is business shrinking, do we have to retreat from markets?*” Based on this judgment the deriving questions for HR are named by SAP: “*And thus, how can we help our CFO, our head of production, our sales head; how can we, HR, actively help them?*”

These descriptive examples translate Ulrich’s ideas into business and create a vivid picture of how HR can lend support. This connects to Roffey Park’s cyclical and iterative path of implementing and contributing successfully to business.

Moreover, and perhaps unintentionally, they endorse the idea of HR as a supportive, enabling element, helping others to be successful and to achieve their goals. Next to this the HR department discussing issues of how to help others requires the right people, able to identify the needs of others and with the capabilities to contribute.

With this the expert voices concerning implementation are collected; in the following I compile all statements as a foundation for the discussion chapter:

Table 36: SAP

Key Questions	SAP
Current state	major projects completed; SAP deals only with customers having the software in place
Diversification	best fit with HR making a difference by identifying individual needs within the organisation
Goals	business understanding being strategic; enabling others to be successful iterative process to understand customer needs and deliverables

Survey

The following presents the findings from the survey in relation to the key questions and clusters them according to the theme.

Three questions addressed the implementation phase:

#	Question	Yes	No	do not know
5	Do you think that HR's new structure works according to your needs?	1	24	0
10	Would you say that HR has been unable to provide origin tasks during transformation?	5	20	0
11	If so, did this destroy HR's reputation?	4	1	0

Question 5 addresses a key point in the interviews, the basic questions of who HR is serving and if the recipients of services actually understand that all is being done to help them to improve their performance. There is little doubt that the new model was not implemented in a “best fit” approach by the respondent’s employers, as nearly everyone states that the new HR structure is not working according to the needs of the service recipients. The respondents are using the systems on offer without any alternative. Adaptation of a given software product in line with the needs of recipients is just not happening. Thus the negative statements show the importance of an adoption of the model by line managers and employees to take ownership and the need for a best-fit-approach. The result with 24 negative answers can be interpreted as employees having to adapt to the model, rather than the model adapting to the (organisation’s) specific situation.

Yet the HR departments seem to be able to perform services during transformation (Question 10). This means that the normal functions are executed as HR is “re-inventing” itself, there seems to be no negative influence on services during the implementation; the danger connected to a non-performing HR department is shown in question 11. This addresses the cases in which HR was not able to perform the normal tasks but was busy with itself. To re-establish trust and reputation is a major challenge for underperformers and creates, as the result shows, a permanent damage in status. The loss of reputation because of a miss-guided implementation can occur when systems or models are not used to improve something but when they are simply adopted. Here again the issue addressed in the interviews, that people matter, comes up.

Summary

The interviews in combination with the survey gave a coherent picture of the status and the opinion about the current state of Business Partnering:

Table 37: Relaunching HR synopsis

Key Questions	Roffey Park	HR blue	CIPD
Current state	varies according to size, sector, history	completed in large companies, with HR to be latest to be attached	varies according to size; latest to be changed; change in language and contribution
Diversification	specific to size, sector, history	best-fit-approach thus varying individually leading to a new model	very diversified models within the model
Goals	motives define/decide about achieving goals; contribute to business success	answering external pressures like: restructuring, cost efficiency, demands	external drivers force HR to change; opportunity to rethink HR; new forms and ways of an improved contribution; with less professionals under pressure
Key Questions	Towers Watson	SAP	Survey
Current state	major projects completed; focus on right things; assessment of HR deliverables	major projects completed; SAP deals only with customers having the software in place	working under BPM conditions
Diversification	best-fit-approach; focus on small scale rather than big projects	best fit with HR making the difference by identifying individual needs within the organisation	lacking best-fit-approach respondents satisfied with implementation at their workplace
Goals	become strategic, contribution to business by focus on the right things; focus on deliverables; bring BPM to life with less HR professionals	business understanding being strategic; enabling others to be successful iterative process to understand customer needs and deliverables	not working according to the needs of respondents

The points of view of the survey respondents, working within a Business Partner Model shaped workplace environment, are reflected in the interviews' statements:

All interviewees bring in the idea of a best fit, as an essential, incremental part of the implementation. The statement of SAP that HR should enable others to be successful is connected to the basic idea of finding out what the service recipient is really asking for or needs. This is not necessarily implying the need to know everything that is happening in the business, but HR professionals have to be embedded in business and connected to other people. It is not necessarily required that HR knows earlier than anyone else, but innovation can only be developed successfully if negotiated in teams.

As external drivers or motives force HR to change, as CIPD stated, and these major projects are completed, HR is now being asked to enable others to be successful. As SAP emphasises, it is essential to understand business and customer needs, which might to a certain extent even be identical. As Towers Watson stated and CIPD supported, if fewer HR professionals are being asked to execute the new roles, then thus a focus on the right things is a logical consequence and these few right things should be those wished for by the customer.

Challenges and Threats

Introduction

The theme “Challenges and Threats” addresses the effects of Business Partnering and the critical resonance it received. It emerges from the contradictory voices presented and discussed in the literature review, where the positive aspects were juxtaposed with the rising criticism, in which doubts about the success of Business Partnering were expressed. The interviews along with the survey results lay out the foundation for the later discussion to develop a theoretical framework. In the following I present and analyse the findings deriving from the expert interviews creating a picture of recommendations, in order to realise the options of the model and to make HR a value adding division. The survey respondents are asked to report about their experiences focussing on the quality of HR processes and the ability of HR to provide strategic input.

The theme addresses several key points:

- Parameters for successful Business Partnering from Experts
- Challenges and Threats Business Partnering is confronted with
- Experiences from survey respondents

Findings from the Expert Interviews

According to Roffey Park, the success of the Business Partner Model is connected to *“the status of HR in the organisation”* and if they have a *“legitimate voice”*. Roffey Park connects the challenges of HR with those of the organisation and claims that there is a need to look at both *“what’s happening in the organisation and what’s happening in the profession”*.

Roffey Park concludes that if a connection between both is missing it might come up that HR is not serving the recipient with their services but that *“everyone is serving HR”*. If this impression becomes a mindset within a company the danger grows that the *“trust, that the partnership depends on, is sinking”* along with HR’s credibility in crisis. Roffey Park argues that no real contribution can be seen from line managers or management as HR is still occupied with *“all the transactional stuff, like payrolls, sick leave, maternity, disciplinary”* resulting in HR *“not being all that welcomed”*. Hence a real change needs to occur, the new model must be fruitful and the changes should be obvious. HR must contribute and should make a case to prove credibility and capability. Roffey Park points out the challenging character of Ulrich’s model in terms of *“the mindsets”* and *“to shift the focus off of ourselves actually, elevating our own status. If we really want to be recognised: really prioritise what the business needs.”*

The point of who HR is really serving is addressed by Roffey Park in quite a drastic view: *“It’s the employees who have fallen off the agenda. The employees no longer seem to be central in HR’s thinking”*. Yet there seems to be a correction happening as *“a lot of organisations are now bringing those services back”*. This reminds me of Towers Watson stating that companies next to the huge projects they should focus on nowadays also need to make sure that the small things are being done in a correct way. This interpretation is supported by Roffey Park when they warn HR of believing that they ought to *“fulfil everything at the same time, which does not work. As said, it seems staff is off the agenda. It is enabling something. You cannot serve staff by not being reachable.”* Thus HR is lacking focus on the right things and tries to cover everything.

At this point I want to summarise the themes brought up by Roffey Park:

Table 38: Roffey Park

<u>Roffey Park</u>
Credibility / Qualification
Customer (employee) focus
Trust
Business understanding
Overlap Claim and Reality
To make a case
Focus on right things
be reachable

Though in the CIPD statement it was already mentioned that the transformational process is not *“driven by HR, it's been driven by finance or procurement or some other big area”* it is significant here for the purpose of lending understanding to the idea that HR needs to take ownership in order to make Business Partnering successful. The interviewees discussions overwhelmingly spoke of the problem of HR being stuck in an infinite loop of implementation with a focus on yesterday's tasks and therefore not being able (or willing) to move to the next level. The basic idea is whether the HR department is really willing to change its mindset and follow the ways of service delivery.

The way in which services are being delivered is still a crucial point in order to achieve cost efficiency, which means taking the transactional activities out of HR and streamlining them. This would take cost out. However, HR has to move along further as this *“wouldn't be a complete HR transformation”*. For the CIPD the real focus is *“how HR adds value whether that's through structural change, a transformation or through the individual activities it does.”* They agree that the plain math formula that strategic human resources is HR 'freed up' from administration is *“a very simplistic calculation”*. To add value and to become strategic it takes the right people, hence *“CIPD is looking at both, the sort of qualifications, curriculum entry points and then sort of developing people through their careers”*. Thus a new factor is given, the properly trained people. Furthermore CIPD addresses the mindset as well, when they argue that *“HR needs to really understand the business”* putting it in a nutshell by stating: *“Actually it is not HR, it is the people”*. This again stresses the importance of having capable professionals willing to change and to actively add value. The right people take ownership of the transformational process introduced from outside HR. They are curious, open-minded

and lead the process. They are familiar with the challenges and want to make it happen according to the needs of their company.

In the next statement CIPD directly points out to that *“this doesn’t happen in many, many cases. What does strategic HR actually mean? How can HR best help the organisation?”* CIPD substantiates this by giving examples: *“It is understanding the business, the actual business. The industry, the sector, what the value drivers are, what the paying points are, what the core business is.”*

The clear message to focus on the needs of business/the customer and not on its own interests is implied; and it seems that it takes only a few right things to establish success and trust: *“Actually quite a few of the better examples in that report had not suffered from any declines in levels of trust, because they actually had been doing good things”.*

Missing success and lacking trust occur according to CIPD because *“there is stress on the system that actually makes HR reactive, un-strategic. Actually, it is this sort of lack of resources. It is not necessarily the lack of skill or ability to be more strategic. There are not enough hours in a day and somehow resources or processes or structures are not clarified enough to enable people to have the necessary head space”.*

Complementing the grid already used for the Roffey Park interview, I want to summarise the themes derived from the CIPD interview.

Table 39: CIPD

CIPD
Credibility / Qualification
Customer (employee) focus
Trust
Ownership
Business understanding
Curiosity
Leadership
Best Fit
Overlap Claim and Reality
To make a case

The consultancy agency Towers Watson addresses “*a big concern*” about the appreciation of people, especially those working in service centres, as they have been described as hard-working bees or ants. Already the differentiation between high and low value work, between transactional and strategic, implies a valuation; this point has to do with the language used. In this way Business Partnering seems to divide the workforce into two groups, the winners (champions) and the losers.

I believe it is an important factor to prevent such differentiation and thus a devaluation that results in discouragement and demoralisation of employees.

Towers Watson raises another issue regarding the incremental need for standardisation within the model. They state that “*the local regulations and compliance cannot really be centralised well.*” This results in a need for “*local presence for HR especially in manufacturing environment where you are able to have on the ground support to understand dealing with the works councils, dealing with the local compliance and legislation*”. In line with the thought of shifting away from the pure model, they detect a movement “*away from the system, from the model to the need*”. This was supported at the time by Ulrich when he commented that “*everybody is doing it this way, I want to do it just like they do.*” Hence he proposes a change to a best-fit-approach and to actively “*take that and apply it to the organisation*”.

Towers Watson is “*grateful to see that a lot of people nowadays think this way*” underpinning that “*it is not so much about best practice, but it is about best fit. So this is what is going to work within this specific organisation.*” The adaption of the model to the specific needs of the company as a success factor for the entire model leads to another model that, according to CIPD, needs to be thought through. Yet the recognition of local specifics and local needs that might differ from business unit to business unit does not challenge the model in itself, but asks for a responsible appreciation of diversity.

To put such a responsible appreciation of diversity into practice there is a need for the right people. Towers Watson thinks of “*leaders, not passive people, people that speak their mind, people that push ideas out to an organisation, not wait for someone to pull HR into the conversation*”. This yet again addresses the point of a change in mindset;

Towers Watson calls it “*behavioural competencies*”, HR professionals who “*advocate for HR*”. Towers Watson is aware that HR might not “*exist in 15 years*” if it is not prepared to actively add value but remains transactional.

I want to summarise the themes derived from the Towers Watson interview using the known grid:

Table 40: Towers Watson

Towers Watson
Customer (employee) focus
Ownership
Business understanding
No Losers
Leadership
Best Fit
Overlap Claim and Reality
To make a case

HR blue, a German consultancy agency, highlights the argument of capabilities as well, the “*need to get both things running (transformation and daily business) at the same time. Business needs to go on.*” Thus enough resources have to be provided to execute the transformation as well as to be able to contribute to business.

In line with other interviews HR blue focuses on leadership as a prerequisite to be heard or to receive the seat at the board, since “*If you act like a leader in HR then you automatically will receive your seat*”. This statement addresses the active person, willing to change and to add value, or in HR blue’s words: “*Just act as a leader and stop moaning, just act.*” With this the idea of an HR department that receives appreciation as a consequence of supporting others strategically is underpinned, as other interviewees have addressed this as well.

Already we learnt that a balanced Business Partnering should have no winners or losers. HR blue comments on the “*negative language*” that is being used in connection with shared service centres, where “*people are working, seeing themselves as, well.. losers*”. The negative language (“*busy ants or busy bees*”) is, according to HR blue “*really intensifying the ‘loser’ image*”. The idea of Ulrich (1997) to heal the eroded employee-employer contract can hardly take place as “*using such terminology*

expresses a special attitude towards the people. A devaluing one, absolutely unjustifiable”.

HR blue summarises Ulrich’s idea by emphasising that *“all of it is Business Partnering, not one more, one less. HR as a whole is a professional Business Partner and without Service Centre the rest will not work. “*

This statement enforces the thought of a balanced, valuing and appreciative Business Partnering where every respondent has important tasks essential for the success of the entire project or HR department. It is not *“one more, one less”* it is an equal contribution of all three parts that constitutes success.

I want to summarise the findings from this interview by adding the key points into the known grid:

Table 41: HR Blue

HR blue
Capability / Qualification
Customer (employee) focus
Business understanding
No Losers
Leadership
Best Fit
Overlap Claim and Reality
To make a case

SAP, the world wide known software supplier, pointed out that successful Business Partnering is based on *“employee-centred HR-Management-Approach; an employee focussed HR strategy.”* For SAP there is a real need that this approach *“is actively lived”* and that it can be experienced within the organisation. If *“unfortunately no one notices it”* the system fails to convince respondents and customers that real change is happening or has happened. For this *“it depends on the Head of HR, him/herself”*, as we have already learnt in the implementation part. It takes a leader to guide the team and to clarify *“how to get out of this reactive stuff”*.

As HR wants *“to work more strategically, to have a business approach, to add value to business success”* it has to define: *“How to do that?”* The translation of business

needs into HR activities by supporting the “CFO, the head of production, the sales head; how can HR actively help them?” Based on this identification of needs/ help needed HR can in fact contribute and enable others to improve performance. To make a case out of specific business requirements by leaders in HR translates the model into real business, with a best fit to the circumstances within the organisation. It takes capable personalities who are not only equipped to understand business but who have the behavioural competence (mindset) to interact with their peers.

At this point I can complete the grid with all interviews:

Table 42: SAP

SAP
Capability / Qualification
Customer (employee) focus
Business understanding
Leadership
Best Fit
To make a case
Ownership

In the survey several questions addressed the point of a successful Business Partnering indirectly by asking for personal experiences and opinions. I want to start by giving an overview of these questions, which address how employees are affected by the new model, before going into a discussion of the results and completing the grid. Subsequently I explain how the survey results connect with the interview findings.

#	Question	Yes	No	Do not know
1	Do you have better access to information?	8	17	0
2	Would you prefer to have an HR rep in person present?	22	3	0
3	Have administrative processes improved?	11	14	0
4	Do you spend less time on administration?	7	18	0
5	Do you think that HR's new structure works according to your needs?	1	24	0
6	Does the new structure increase your job satisfaction?	1	24	0
8	Has the original HR department been downsized?	24	1	0
9	Has the original HR department freed up to become more involved in strategic decision making?	3	22	0
12	Do you think that HR function after transformation has lost contact with staff?	22	3	0

The use of modern technology along with *“doing more with less (people)”* requires a platform that keeps employees informed about current developments. In the introduction I informed in depth about the technological development. The information flow is nowadays generated by using portals, the internet or other forms of electronic tools. It is remarkable that in spite of such tools and the underpinning pressure by software suppliers the vast majority of respondents fail to see an improvement in information. This might point to the quality of information or whether the provided information is of real interest. I remember the quarterly company brochures informing about business success everywhere and anytime which always seemed to be contradictory to the employee’s reality. If the new technological options are only used to proceed with the provision of old fashioned information, success will not prevail. The discrepancy between highly polished magazines and personal impressions is not levelled by using other media. It takes a particular mindset on the employer’s side as well, which has to go beyond just providing millions for a software project. It also means embracing the entire company culture. Attention needs to be paid to the information that is divulged, and needs and wishes should govern the type and amount of information that is provided. It entails taking the employees seriously in their participation and their maturity.

Question 2 concerns if “fewer people, doing more” and responses clearly indicate that people would prefer face-to-face contact. Though the local HR department has been downsized (Question 8) employees still value personal contact, since that way they might get the really interesting information, perhaps the truth, and support, as administrative processes have not improved as hoped (Question 3) and are as time-consuming as they were before (Question 4). Given that the technological promises have lacked to come true in the respondents’ perception, “fewer people” are a reality. They do not see that the new system works according to their needs (Question 5), which raises the question of their participation within the entire process. Since, not only in an ideal world, a best-fit-approach would take employees’ expectations and wishes into consideration, the voices of employees should be heard and recognised.

As respondents experience the system not working according to their needs, HR might lose reputation.

Furthermore respondents state that the new way of service delivery does not improve their job satisfaction (6) and thus contradicts retention programmes within

organisations, even more so, a majority (Question 12 and 9) states that HR has lost contact with staff whilst not having a strategic input in business. They see themselves as being confronted with new ways of service delivery, which do not work according to their needs, and respondents point out that technological innovation does not automatically simplify their work but can be a burden.

The positive qualities are not obvious for the respondents, in their personal experience negative impressions are dominant. This peaks in the statement that job satisfaction is not at all improved by the new structure (Question 6). HR seems unable to transform on a higher level than pure electronic systems or structural issues. The value adding motive seems not obvious for the respondents.

The results raise the question of what it takes to make Business Partnering successful for employees. I would like to summarise the results by a grid and in a second step interpret them to deduce the valid themes for employees:

Table 43: Survey

<u>Survey</u>	<u>Survey success parameters</u>
Transformation not a reality for respondents	Transformation must be transparent and become reality
Changes not obvious	Changes need to be obvious
Benefits not obvious	Involvement in change process
Employees must benefit	Improvements need to be an experience
Impression of victims	HR to transform
No real improvements obvious	HR to deliver the right things
Burdening new admin	Focus on employees
No customer orientation	Listen to employees
No increase in job satisfaction	
Less HR people, lost contact	



Deriving from this I can complement the overview of the interviews:

Table 44: Challenges and Threats synopsis

Roffey Park	CIPD	Towers Watson
Capability / Qualification	Capability / Qualification	
Customer (employee) focus	Customer (employee) focus	Customer (employee) focus
Trust	Trust	
Business understanding	Ownership	Ownership
Overlap Claim and Reality	Business understanding	Business understanding
To make a case	Curiosity	No Losers
Focus on right things	Leadership	Leadership
Be reachable	Best Fit	Best Fit
	Overlap Claim and Reality	Overlap Claim and Reality
	To make a case	To make a case
HR blue	SAP	Survey
Capability / Qualification	Capability / Qualification	Transformation must be transparent and become reality
Customer (employee) focus	Customer (employee) focus	Changes need to be obvious
Business understanding	Business understanding	Employees must benefit
No Losers		Involvement in change process
Leadership	Leadership	Improvements need to be an experience
Best Fit	Best Fit	HR to transform and to deliver the right things (strategy)
Overlap Claim and Reality	Ownership	Focus on employees
To make a case	To make a case	Listen to employees

The Survey outcomes completes the picture and completes the findings from the interviews. These outcomes echo and supports the voices of the experts and underpins their demands for an HR department that really becomes strategic.

The request from the respondents to have change and improvement become more obvious and a lived experience in their daily work, it also demands capable and committed HR professionals who truly partner with business. It is essential that no-one actually falls off the agenda and no losers are created, either in the HR segment or on the customer's side.

I believe that in times when information is available everywhere and is always present on our smartphones, a top-down process in implementation can hardly be regarded as the best practice anymore. The respondents want to be heard and Ulrich's model expresses HR's role as an employee's voice. The need for continuous participation all along the model's value chain is stated by the respondents; it sets the foundation for

HR's ability to really make a case. This affects all levels: from the need for customer focussed information provided in electronic ways of delivery to the request to work for the customer and thus according to the customer's needs and not to exploit the software systems offerings. To do these few things right, HR professionals need to know what these few things are; and it would be helpful to fix those that customers identify as the few things.

The survey underpins the danger of focussing on oneself instead of on the ones who receive the service. Respondents want to see that the promised improvements are becoming a reality and the interviewees throughout agreed that HR is requested to focus on the customer, on the business.

Only if the request to focus on the service recipient and to work according to the needs of the customer is fulfilled, respondents can build up a better job satisfaction, since then they would see themselves as partners and not as objects.

HR at the crossroads

The Introduction presented the technological development which constitutes the foundation of Business Partnering and allowed HR to segment according to Ulrich's model (1997). In the literature review the new models, trying to develop Ulrich's model further, are presented.

This theme addresses the development by especially focussing on the software supplier SAP to give an insight into the next technological developments, which again will shape the way of working and even working culture. Nevertheless, the survey respondents also answered several questions regarding upcoming developments and their thoughts about it. This theme offers an insight into the technical realisation of customer focus and 'the next step' to take, to make transformation a reality for employees. It helps to understand how technology supports Business Partnering and grants an outlook to the near future that awaits us all.

SAP states that *"around the 2000s, for the first time (we from) SAP offered a portal, and ESS and MSS (Employee Self Service and Manager Self Service)".* The goal was *"to increase efficiency in administrative operative HR."* SAP wants to *"set free HR from*

annoying routine work, to enable HR to execute strategic HR topics”, by answering needs “really massively requested from the customer side.”

Technically SAP sees the future in cloud solutions as *“the Cloud is more than hype.”* The change in Business Partnering for SAP is *“to bring in the employee into the process.”* The idea of customer focus is turned into a reality when SAP offers an *“intranet with an employee-profile where employees present themselves within the company.”* Other social media content (LinkedIn profile) can be copied into the intranet profile. This changes the prospect of co-working, reaching out for a self-management of an employee’s career.

The new merger between private and business lives can happen if *“business culture (starting from the CEO down to the supervisors) use such information and actively address the employee and the employee notices: They look at my profile, someone is interested in what I type in there.”* Thus *“Business Partnering really means to change a company’s culture and to accept that HR is a truly supporting, not a controlling, partner.”*

As an obstacle for a successful Business Partnering, SAP identified a current lack of appropriate technology: *“First of all, the resources to feed systems with data and then –of course– data analysis tools. This is now on its way and after that there are no excuses anymore for HR.”*

This interesting idea that software, though advanced, is still at an early level, is underpinned by SAP’s opinion that *“it will take around five or six years”* for Business Partnering to really become a reality. *“At that time employees will be involved differently in HR processes. Managers will understand that HR can make their lives easier rather than providing burdens. HR professionals will accept their new role and will actively live it.”* SAP is convinced that, *“when you speak of a timeline of five years something will definitely happen there.”*

SAP takes up the discussion of parameters for success and points out that further technological developments will help to respond to customer needs and improve employees’ commitment by actively involving them. The merger of private and business life (Big Data) offers new forms of employee participation and SAP indicates

that e.g. recruitment processes could change drastically in the future and that talent management might be turned upside down.

The ambitious statement that *“there is no excuse for HR”* after all tools are in place and really working, supports the idea of a Business Partnering that is more than the use of some new technical devices but has the potential to really transform and add to business. The tools help HR but it is HR itself that needs to take ownership and make use of the data provided. I am convinced that HR departments using these chances can almost automatically support a change in work culture.

I want to summarise the findings from the SAP interview that assist the success factors:

Table 45: SAP

SAP
merging business and private life
cloud solutions replace local servers
systems become self-running
need for use of such systems by management
need for work culture to change
HR on the edge: contribute or disappear

The survey addressed the future prospect as well:

#	Question	Yes	No	do not know
7	Would you like to have more virtual HR services provided?	4	21	0
15	HR function in general is becoming increasingly virtualised	25	0	0

All respondents expect to see an increase in virtualisation and expect technological development to be ongoing and to affect them (Question 25). Based on their experience that has been discussed before the survey respondents are very sceptical (Question 7) about this further development as they fear that negative experiences will increase as well.

What can be stated is that HR should bring back trust and to make a difference. This means to really use the tools at hand (or to come) for strategic matters and to make customers understand the impact HR can have.

The grid used shows the discrepancy between the positive approach of SAP and the negative resonance of the survey respondents:

Table 46: Comparison SAP and survey

SAP	Survey
merging business and private life	virtualisation will increase
cloud solutions replace local servers	technological progress ongoing
systems become self-running	no real improvement can be seen
need for use of such systems by management	HR lost contact
need for work culture change	respondents sceptical
HR on the edge: contribute or disappear	about further development

Though both agree that the technological development will proceed, it seems that both groups contradict each other. Yet it is important to mention that the respondents have no information about upcoming developments and that their working culture has not changed. The chance (and hope) for HR is that the new technological developments in fact conclude the entire Business Partnering, that the real impact of changing company culture will become effective in the future and that we are currently on the way towards this outcome.

Summary

The rich data from interviews and survey was presented and analysed in this chapter. It provided the basis for answering the research questions and provided data for an appraisal of Business Partnering. I believe that this chapter provides valuable insights into the many facets and sometimes contradictions within the model and its implementation in large companies. This chapter also provides a comprehensive

picture of the demands that the interviewees expressed, especially on how to make the implementation of the model successful.

Along with the researcher the reader has learned that it will still take time to actually fulfil the potential of Business Partnering. This is a chance for HR to correct aberrations (mis-developments) and, where needed, to (re-)focus.

The findings of this rich data can be summarised in the following table:

Table 47: Synopsis of findings per theme

<u>Relaunching HR</u>	<u>Challenges and Threats</u>	<u>HR at the crossroads</u>
BP varies according to size of company very diversified outcomes	HR able to do the job? Capability / Qualification	Increasing digitalisation Coalescence of private and business life
HR depart. latest to be changed	The challenge of Customer focus/best fit	Technological progress unstoppable
Best fit approach success depends on motives	HR in doubt: can HR contribute customer must benefit	Benefit must be evident
The opportunity: contribution to the business	Weak Leadership Ownership of Process	New technologies require new working culture: new opportunities for HR
Customer needs and deliverables need to be clear	Missing overlap: claim versus reality lacking permeability in segmented structures	HR at the crossroads: contribute or disappear

The data can be compressed to present recurrent themes in all three subheadings leading to a picture of the perception of Business Partnering that was shown at the beginning of this chapter as a summary of the detailed data presentation:

Table 48: Picture of the perception Of Business Partnering

<u>Themes</u>	
1	BP varies according to size very diversified HR latest to be changed
2	Contribute or disappear: customer must benefit missing overlap between claim and reality
3	Inside Business Partnering: lacking permeability
4	New techniques require a new working culture: the chance for HR

4.3 Analysis of the themes

1. Variations of the model

Various experts stated that variations of Business Partnering exist, like Roffey Park e.g. remarks that it “varies according to the size of the organisation, their history and their sector”; the CIPD supports this by speaking of “variations” of Business Partnering. Thus there is no ‘one’ Business Partnering anymore but several forms of it; Ulrich’s model diversified into many forms, according to special characteristics of an organisation. In addition Roffey Park, CIPD and Towers Watson, point out that the change process is “driven by finance or procurement or some other big area”, but not from HR. These are larger processes, often connected with new software systems, with HR “latest to be changed” (HR blue), modifying the way of working.

Already the Literature Review (Roffey Park 2014, Brutsch 2013, CIPD 2009), showed that Business Partnering is varying. In the discussion of Business Partnering in the German Mittelstand the idea was laid out that Ulrich’s model does not work as a blueprint for everyone, but as an idea or stimulus to re-think the current appearance of HR. Moreover, diversification was shown in several surveys (CIPD, KPMG) underpinning that the model was not implemented in its full extent everywhere but by using parts of it. As Ulrich speaks of HR focussing on deliverables, variation seems to be included, seeing that a rigid approach does not fit a diverse economy.

Yet the findings of the research exceed the literature by stressing the idea of a best fit according to the wishes and needs of customers. Ulrich (1997), Holbeche (1999), Reddington (2008) and other authors recommend aligning HR to business, which is translated by SAP into the basic question “How can HR help?” Consequently it then becomes a question of adapting the Business Partner Model according to the company’s size and history. What is required is rather an in-partnership approach, defining the needs of customers (and thus of the business) and translating these into actions (or the new system).

This seems to be in contrast with the experience that HR’s reshaping is often the final phase of a company’s transformation. It is a given fact that HR is transformed, within a major IT modification process. Thus the form of HR practice is shaped in a new way, also including a shift in roles. Business Partnering is built and dependent on technological progress and, as Reddington (2008) pointed out, on technological capabilities. Without this progress there would be no service centre, no portal and no

online availability. Yet these changes address a disruption in the way we and HR work and the relationships in organisations; HR needs to be aware of this and therefore focus on these issues to prevent disappointing development as we have seen in the literature.

IT is therefore a foundation on which Ulrich's idea is built on. However, IT is not a purpose in itself but a tool to be used. Still we find in the survey statements that HR is busy with itself and has not succeeded in becoming strategic. This is in line with current literature (CIPD 2009, Roffey Park 2014, etc.) and poses the question, like Lawler and Boudreau (2012) did, of what it takes to make HR successful.

I am convinced that undergoing a transformation, in the course of a major IT shift to an ERP system, bearing in mind that HR would not have been transformed autonomously (without the major IT shift), creates pressures:

- to implement it fast (to come to an end with the investment)
- to make the most out of the investment (in other words: to utilise the program in all its applications)
- to redefine the way of working, roles and responsibilities

There is no room for the customer while responding to these pressures. At this point already the "employee (=customer) has fallen off the agenda", as Roffey Park stated.

Several lessons can be drawn from this theme which later help to form a picture of the current perception of Business Partnering and offer guidelines to a supportive framework for succeeding in aligning HR to business:

- The variation of Business Partnering ought to be executed according to the demands and wishes of customers, the recipient of services.
- The lack of (not only strategic) impact of HR is clear, since only in the context of a major organisational (IT) shift HR reacts to the change process. The implementation can only be successful (in terms of Business Partnering) when IT is a helping aid. It cannot replace a mindset focussing on costumers in an in-partnership manner.

With this the relationships within the communities (HR and its customers) become important, and these will be highlighted in the Discussion chapter.

2. Contribute or disappear

Lacking customer focus can become a threat for successful Business Partnering. Employees (or HR customers) must see the benefit of the new way of service delivery. Yet this customer orientation needs to focus on outcomes/benefits, or as Ulrich (1997) stated, on the deliverables. The deliverable is a service provided for the customer, thus the customer receives the service and therefore experiences this provision. The benefit is obvious for the customer this is already mentioned in the Literature Review and is supported by Thibault and Kelley (1978) as well as Homans (1961) and Rusbult (1983) in the context of Social Exchange Theory that will be visited later. The survey responses emphatically demonstrated that this experience is not a reality for most of the respondents. They indicate that new administrative tasks have replaced the old ones, but there is no benefit. Particularly the impression of being a victim of the transformation process, the lack of involvement, creates a major threat that HR is asked to deal with. The disruption in the way of working by the use of new technological means asks for an accompanying process, one that avoids making the employees feel like 'victims'.

With the employee champion these threats should have been avoided, but Roffey Park pointed out that this is a "myth". Without the employee champion role, the employee voices are not heard and demands and needs remain hidden.

Not realising that Ulrich's model asks for a realisation of all 4 roles endangers the success of Business Partnering and leads to frustration and alienation between customers and the HR department; which would be the opposite of Ulrich's (1997) intention.

In the SAP interview, it was stated that HR is at the crossroads and must either contribute or disappear. This drastic statement is again in line with Lawler and Boudreau (2012). Foremost HR needs to have the capabilities to deal with upcoming changes and new technologies in order to be able to provide the required services. With a tendency of reducing HR staff after transformation, which was shown by the KPMG (2013) and CIPD survey (2009) and underpinned by the survey, as it was stated in the interview with CIPD: "HR is under stress, which makes HR reactive, un-strategic. Actually, it is this sort of lack of resources." Yet HR departments are shrinking, as the survey supported and the Literature Review anticipated against the background of

service centres. This downsizing process puts pressure on the HR practice, which is asked to contribute at a higher, strategic level. Being confronted with such pressure the endeavour of increasing the focus on technological aids to help govern processes is understandable, yet this affects employment relationships (the relationship with the customers), too.

To bring claim and reality closer together, i.e. being strategic, it is necessary that HR focuses on the relationship with its customers who need to benefit from the change. Trained and sufficient staff is needed to cope with Ulrich's demanding model. The literature spoke of savvy staff, capable of contributing to customer needs, competent to answer questions and to help others with innovative ideas.

The lessons from this theme are obvious:

- Successful Business Partnering provides obvious benefits for customers
- HR needs to address the relationship with customers
- Claim and reality; HR is supportive and does not replace administration by new administration
- HR really answers/contributes (to) customer needs, to do so qualified staff is essential
- HR deals with a disruption in forms of working
- Reduction in HR headcount is the wrong way to enable HR to contribute
- All roles of the model have significance and need to be a reality

3. Inside Business Partnering

With the last points, for the first time, the focus switched from external to internal HR customers, to HR professionals working in Ulrich's model. The need to have trained staff is a matter of course, yet it exceeds the classic idea of being fit for the regular tasks, as HR professionals are to contribute to solving problems outside the HR world. This exceeds simple training procedures but requires a major shift in the mindset of HR professionals that, as seen in the themes before, many transformations do not deal with in an appropriate way. The focus seems to be too technologically orientated.

In the Literature Review (Gratton 2003, Holbeche 2001, Lawler and Merler 2009) the critique was discussed that the positions within the model are connected to high and

low values, and the limitations of career paths (especially for service centre employees, but not only there) due to a lack of permeability within Ulrich's model was analysed. Business Partnering will only work if those working in it benefit from it as well; which is an equivalent to external customers.

In other words, Business Partnering has to do justice to all customers, regardless whether dealing with internal HR staff or external 'Business' customers. The classification between low and high value, according to HR blue, is directly connected to a language expressing this differentiation. Speaking of 'busy bees' or 'hard-working ants' is a form of dehumanisation that creates winners and losers of the model; it suggests that the bees (animals) are trapped (in the service centre).

The low chance of moving out of the administrative expert role towards other roles, which is either limited by location, qualification or options due to reduction of headcount/positions, has been a subject in the short section on outsourcing. The need for customer orientated solutions, developing an attractive working environment with demanding and interesting career paths are a requirement to retain employees (here again: not only for internal customers).

There are several lessons from this theme:

- HR staff are customers too; they should benefit from Business Partnering as well
- The classification of low and high has to stop; all roles form Business Partnering
- Qualification is key to making HR capable to contribute
- The in-partnership approach must not result in winners and losers

4. The Chance for HR

The introduction informed about the influence that technological innovation has had and still has on HR practice and the way services are provided. It was stated before that without this progress Ulrich's ideas would have had no basis to be realised. This process is permanently ongoing, every new smartphone generation offers new options; first types of self-learning (artificial) intelligence in form of telephone computers guiding the user through menus are all familiar to us. Every few weeks new updates are available from HR Software vendors and every year new modules find access to HR

reality. In the SAP interview the coalescence of private and business life was described by explaining the use of a linked-in profile acting as a merger with the SAP-Intranet profile of employees. The merger of social and business platforms is named Big Data; this ongoing change process asks HR to facilitate this permanent development as a change agent supporting the new way we work.

This role was highlighted by Ulrich (1997) as one of the major ones, yet focussing on the transformation process to implement Business Partnering. This idea here exceeds Ulrich's basic concept, but leads to a permanent challenge for HR to not only react to a new download of a new software module, but to contribute to the new way of working that we all foresee and to minister the changes in relationships.

In times of the internet, location, presence at the workplace and thus the forms of working and communicating are changing; the literature has shown this on the examples of the service centres or outsourcing/offshoring. This new era of cooperation calls HR to act and to develop action plans to accompany these processes; it might be that HR needs to find additional theoretical support for this process focussing on activities/practice, which will be discussed in the following chapter. HR can have a bright future if it is able to understand the challenging and changing working environment as a chance to contribute and to develop models how business can be organised in future.

4.4 Summary and analysis of the Findings

With this the themes have been analysed and a current concept can be formulated:

HR is at the crossroads to understand that new technological developments still ask for contributing and active (strategic) HR departments. The roles Ulrich defined have not lost any significance, perhaps the opposite. HR is asked to accompany customers and to give guidance in a permanently changing environment affecting working relationships. Only by understanding the customer needs and actively asking for them, will HR be enabled to really provide this guidance and to contribute.

Therefore, the findings of this research go beyond the negative tone of the critical voices by highlighting and transferring Business Partnering to a new concept and context, twenty years after its presentation. This research brightens Ulrich’s model to a sociological stance, highlighting the way of working that is changing. Ulrich, 20 years back, saw the beginning of the Internet-era, 20 years later, we see robotics and artificial intelligence ahead of us.

In the themes developed in the findings, a connection to Ulrich’s roles for Business Partnering was established. This allowed me to form a picture or framework of the current perception of Business Partnering, especially resulting from the critical voices in the Literature, supported by interviews and a survey, and the findings and lessons formulated in this chapter. With this I want to summarise this chapter based on the roles:

Table 49: in-partnership HR

Current Perception Segmented HR	Role	Holistic Approach In-Partnership HR
focus on technology reactive waiting for changes to come	Change Agent	focus on new developments developing, creative, stirring foreseeing changes and drawing the conclusions from it permeable structures
isolation, trapped low value, dislocated no connection to upcoming developments, changes	Administrative Expert	part of the team connected and contributing understand tech. progress formulating new ways of cooperation/relationships permeable structures
HR at the crossroads to contribute or disappear lone fighter low capacities	Business Partner	the face to the customer tying the ends together, team player offering strategy and strategic support cooperative, in-partnership
a myth alienation of employees no voice of employees role at risk	Employee Champion	understanding internal and external needs mirror for HR and employees active role in moving HR to the next level key role to retain staff/relationships permeable structures

The in-partnership concept balances the current perception of Ulrich’s model as a segmented HR department and offers HR an opportunity to reconnect to the

communities HR is providing services for and to realise the strategic player role it is supposed to have. The in-partnership model exceeds Ulrich's ideas as it includes HR as a customer of itself asking HR managers to develop a permeable structure offering career paths for HR professionals. The in-partnership concept formulates an underlying idea of a new relationship between HR and its customers, which moves away from the contribution by service providing, to a co-operation, in-partnership, where the way of working is not derived from new modules or technological progress, but is a result of mutual discussion and the collective search for the best fit.

In the next chapter the changes in relationships and HR's interaction with different communities are highlighted and in addition HR's contribution, based on the in-partnership concept, can be defined.

Chapter Five

Discussion and Conclusions

5.1 Introduction

The findings showed the disruptive development in HR practice and in the organisation of work. This re-organisation of work affects roles, tasks and thus relationships (between different groups), which has already been mentioned several times in the literature, supported by the empirical part of this research and illustrated in the Findings chapter. In this chapter I will highlight these relationships and explain how HR can contribute to practice and how the research questions are answered based on the findings. A theorisation using Social Exchange Theory as a tool helps to understand the need for Business Partnering that is beneficial to its customers. Particularly if we think of the way we will work in future, which might be subject to further research.

In this thesis the different customer groups that HR provides services to in a new way, were presented. The relationships with these communities have changed.

To illustrate the changes in relationships I would like to name:

- Shift of HR tasks to line managers
- Shift to service centres as contact point for employees /loss in personal contact
- The new roles/tasks for HR professionals
- The new role/influence of the external environment, external stakeholder expectations (e.g. software vendors, drivers/motives)

All these groups or communities represent customers receiving services in a new way. In this chapter I will discuss the findings by highlighting each community and suggest activities HR can execute to contribute to practice. In a second, more abstract step I answer the research questions. Further on I link my thesis to Social Exchange Theory supporting HR activities.

5.2 The communities

In the course of this research I informed about various players connected with Business Partnering:

- Line Managers
- Employees / team members
- HR professionals
- External stakeholders / software vendors

HR is in contact with these communities and provides services either directly or indirectly.

Line Managers

In the literature and by the empirical data it was shown that Line Managers have become the major contact point for employees as HR tasks shift to line managers. The interviews showed that training and support are essential, otherwise Line Managers lack the knowledge to execute the new tasks.

To contribute to the success of Line Managers, or in the sense of SAP's "How to help", HR should:

- Train Line Managers
- Actively communicate with Line Managers by surveys, workshops and meetings
- Involve Line Managers in upcoming developments
- Receive regular feedback from Line Managers
- Adjust HR practice according to the feedback
- Develop ideas and new concepts for the new way of working together with Line Managers
- Address these ideas and concepts to software vendors / the board

With this in-partnership approach HR can effectively contribute to business by enabling Line Managers to execute their new HR tasks in a more professional way and at the same time be an active player in organisational development.

Employees / Team Members

For employees Service Centres serve as the main contact point, when Line Managers are not able to answer questions. The literature (Caulkin 2002, IES report 2003, Bain 2005) has shown that alienation and disruption can be associated with distanced service centres. HR becomes a distant anonymous profession executed somewhere by someone. The loss of contact is accompanied by a loss of visibility and positive experience, with no direct contact person, and every centre employee in charge of every person calling.

To contribute and restore trust in the profession, and to move out of anonymity, HR should:

- Re-organise call centres so that employees have a specific call centre colleague (per branch, department, team)
- Personalise calls by using video chats / skype: to see a face
- Have regular contact with employees by surveys, face to face meetings
- Ask for feedback about the service delivery
- Adjust services according to the feedback

The in-partnership approach requires a *conversation* between the employee and HR, exceeding HR responding to requests; modern technology can help to establish it, but cannot replace it. Only if the employee benefits, HR is able to contribute and to play a strategic role. In this dialogue HR plays an active role, like the employees, bringing in new ideas and questions.

The HR professionals

In most of the literature HR professionals were expected to perform, to provide services, to be strategic. However, in the interviews HR professionals were focussed on as part of the model and seen as customers; as well and not just “busy ants”.

This thesis broadens the view of Business Partnering by looking inside the model and asking what HR can do for HR, how HR can contribute to serve its own staff:

- HR should overcome a strict segmentation within Business Partnering by creating mixed teams
- HR should create permeability between the roles by providing special programs

- HR should have a continuous conversation with its own employees (surveys within service centres, amongst business partners, etc.)
- HR should reach out to software vendors to determine what is needed and useful
- HR should convey the same enthusiasm to its own employees that it tries to convey to others
- HR should plausibly underpin an equal status within Business Partnering

Only if HR practitioners benefit from Business Partnering as well, they will in fact advocate Business Partnering. This excludes de-valuing human beings (as ants and bees, e.g.), but requests activities to strengthen the relationships within HR and between the communities.

External stakeholders

In the course of this research the reader was repeatedly confronted with technological issues, which are inextricably connected with Business Partnering. Thus IT suppliers play a major role in enabling HR to perform according to Ulrich's model. Yet HR can or even has to play a major role in this area as well, by:

- Being a partner to the software supplier
- Defining needs and developing in a mutual direction with the IT vendor
- Moving out of the update-receiver role into an active role
- Adjust existing tools based on employees' voices to create a higher usability
- Connect IT supplier to business via workshops
- Create a better understanding of software within the organisation

HR is required to be active for all communities; the contributions or activities directly derive from the findings, especially from the interviews. They all ask for actions that HR should execute to be strategic, to enable others and to contribute to business.

By suggesting these practical activities this thesis contributes to practice. It allows HR professionals to develop a plan of what to do and how to re-connect to business. It addresses practitioners in a process of transformation foreseeing a shift in relationships, as well as practitioners after a transformation. The thesis contributes to

practice by offering feasible hints and advice, based not only on the findings but also on personal experience as a consultant, accompanying (and “repairing”) transformation processes, such as ERP system integration.

Whilst these contributions to practice focus on a practical, day-to-day level, the research questions present guidelines to understand the contribution on a more abstract level.

The research questions were derived from the literature. They address the current state of Business Partnering, its perception by practitioners and ask for suggestions to make Business Partnering more successful.

Answering the Research Questions

Research Question 1:

What is the aim and extent of the implementation of the Business Partner Model in large companies?

David Ulrich’ s Business Partnering model, introduced in the literature review, addresses pioneering companies, which have restructured and implemented a segmented HR and which are on the edge of redefining the HR role.

Resulting from the literature review I expected that:

- Business Partner Model is a standard in large companies
- Diversification takes place according to size or sector but especially due to specific organisational or local needs
- Diversification of the model adds new forms and sub-models

Ulrich’s ideas are no blueprint for everyone; a basic notion within the literature developing Ulrich’s model further to a flexible idea, which is used, adapted and formed. Thus there is no one single type of Business Partnering anymore but an adaptable framework fulfilling the individual needs of a company. The expert interviews supported this notion from literature by stressing the need for a best fit. The simplistic use of

Ulrich's ideas and following them without adjustment to the needs of organisations can be a reason for the manifold critical voices, discussed in the literature review.

All interviewees raised the topic of motives; as the entire process seems to be initiated from outside HR, without having HR actively involved in the decision-making process. The literature review has widely discussed drivers or motives for implementing the Business Partner Model. The reader finds several of these drivers again in the interviews (cost efficiency, general restructuring, technology, etc). Yet the interviewees added information about the motives exceeding the ones gathered in the literature. To a certain extent they connect motives with a successful Business Partnering. Roffey Park pointed out that "those doing it for cost reasons" might be less successful. The importance of the motives for a successful Business Partnering has been stressed several times by the interviewees. The indication that the right drivers lead to success is pointed out by Roffey Park, whereas the other interview partners highlight the fact that HR is transformed within a larger process, e.g. the "multimillion project" Towers Watson stated.

My research exceeds the basic notion of the literature stating the motives or drivers for transformation, by adding significance to them and depicting that in these drivers potential success or problems are anticipated. The right motives enable HR to implement Business Partnering in a right way. Huge efforts have been executed to restructure organisations, to streamline processes and to put new software in place to enable HR to contribute to business. The projects have been executed in large companies; medium sized companies are second movers. The diversity of Business Partnering has generated a multitude of different concepts especially focusing on specific needs and characteristics of organisations, this was explained focussing medium sized companies.

The implementation of the Business Partner Model has to be regarded in a larger context; it is not a separate, single event. The interviewees pointed out that Business Partnering echoes new technological developments; therefore the restructuring process within an organisation, along with the use of new software, is ongoing, enabling and forcing HR to permanently re-define its own role, activities as well as relationships. This point inspired me as I viewed transformation as a project, with a

beginning and an end. I did not expect transformation to be an ongoing, continuing process. Though on second view it seems logical, nonetheless, it required a bit of a learning curve for me to free it from the conceptual limitations of being merely a onetime IT project and requesting an open mindset of behavioural changes.

Ulrich's Business Partner Model offers a wide range of options for the ways in which HR can contribute. An underpinning prerequisite is the change in mindset that is automatically connected with the Business Partner Model, leaving administration 'behind' and moving forward to become a strategic player, serving others and having the service recipient benefit from the transformation. Exceeding Ulrich's basic ideas, HR staff should benefit as well. This excludes de-valuing notions in language (bees and ants) or "trapping" staff in service centres, without permeable structures.

Research Question 2:

How does the Business Partner Model affect employees?

The survey was a tool to ask respondents about their opinions and experiences in their real work environment. The literature (critical voices) already gave an insight into this real work environment as it showed that realising Business Partnering is a challenging process. The critical voices in the literature created certain expectations about the reality of Business Partnering which was confirmed by my research:

- transformation is not yet a reality for the respondents.
- only the tools have changed but not the mindset
- there are no obvious or real advantages of Business Partnering
- electronically driven processes are not equivalent to improved processes

Respondents state that they are affected in a negative way by the Business Partner Model realised in their organisation. They tend to affirm that not much has really changed and even the expected relief from repetitive administrative tasks has not come true as new administrative tasks have replaced the old ones. All aspects of the critical voices presented in the literature review resonate here as well. The survey thus confirms the strong criticism of the model, or its realisation, which seems to focus less on the deliverables as Ulrich requested but on its technical realisation.

A very saddening aspect is brought up by the thought that the respondents see themselves as victims of this development, which includes a sense of non-participation and non-influence in the entire process. This 'being object' rather than subject addresses a core point that Ulrich already pointed out: the customer focus of his model. With the benefits not being obvious for employees, change not transparent and customers forced to accept the given, approval for the new Business Partnering approach is hard to expect.

Seeing the expectations created by literature being confirmed by the respondents made me aware of how relationships are shaped by the way of service delivery and that it is essential and significant to put the customer/community in first place instead of the IT implementation. The negative perception of the Business Partner Model poses the question of how Business Partnering can be successful, the third Research Question.

Research Question 3:

How can the Business Partner Model be implemented in a balanced and successful way?

My in-partnership concept proposes a holistic procedure and highlights specific elements of Ulrich's model. Yet it exceeds the basic notion of Ulrich by integrating HR practitioners not only as "service points", but as customers within the model; by addressing their needs and value.

HR still struggles to become strategic, and leaving its own staff behind cannot be the solution. Only if HR actively connects to communities will it be able to contribute. Since technological progress is continuous, HR needs to move out of this single focus and understand that software is a helping tool to be strategic.

This thesis combines the fundamental ideas of Ulrich (1997), along with 20 years of experiences and developments since the publication of his model, with the process of ongoing technological innovations and changes in the way we communicate. My in-partnership concept takes into account new forms of communication, unknown to Ulrich in his time, stressing the connection between HR professionals and customers by interacting and moving HR away from a pure service provider role. An additional contribution to practice can be seen in rolling out the in-partnership model to HR itself to make HR professionals benefit.

The in-partnership emerged from my own professional career in HR it is not a priori set-up, but has emerged by this research, different projects, other professionals or customers I work with. In the in-partnership approach I find my own experiences, difficulties and even some success, explained in this research. Working with the in-partnership approach helps me to execute my tasks in a more professional way: However theoretical support is needed to uphold my practice-oriented contribution. In the following section I draw on Social Exchange Theory to provide this theoretical support.

5.3 Theorisation

Ulrich's model addresses HR practice and suggests how HR can contribute to business beneficial for the recipients of service. The virtualised reality of HR creates tensions that require actions to resolve these (alienation – video call, meetings, etc.) as “its communications are mediated largely through electronic” means (Foot, 2001; p. 3). In course of this research Social Research Theory was visited several times (in the Literature Review and in the Findings chapter). In this section I explain how this is not only useful for my research but in daily work as well. As mentioned before Social Exchange Theory is based on ideas by Thibault and Kelley (1959), their ideas about benefit/reward as a driver for activities and social behaviour were further on developed by Homans (1961) and Blau (1964) who defined social exchange as the exchange of activity, tangible or intangible, and more or less rewarding or costly” (p.13). Homans (1961) pointed out three propositions:

Success

People tend to repeat an activity, when they have been rewarded for it before

Stimulus

The more often a stimulus has resulted in a reward the more likely it is that the person will tend to follow a new stimulus

Deprivation

The amount of specific rewards devalues the specific reward

The first two propositions especially fit to my research and my personal practice. As the narrative of this research, HR to be strategic by contributing to business, implies that business is benefiting from HR activities. As HR can give a stimulus for a next step in digitalisation, both –business and HR- are asked to develop a path for the future which is beneficial (or rewarding) for the community. Ulrich’s idea that HR needs to focus on deliverables is in line with this theory as the community needs to benefit from these deliverables. HR benefits by receiving a strategic role and by having an active part business development.

Social Exchange Theory helps me to understand the drivers for interactions between the communities better and stresses the importance of beneficial relationships, as the current perception of Business Partnering seems to be characterised by disturbances.

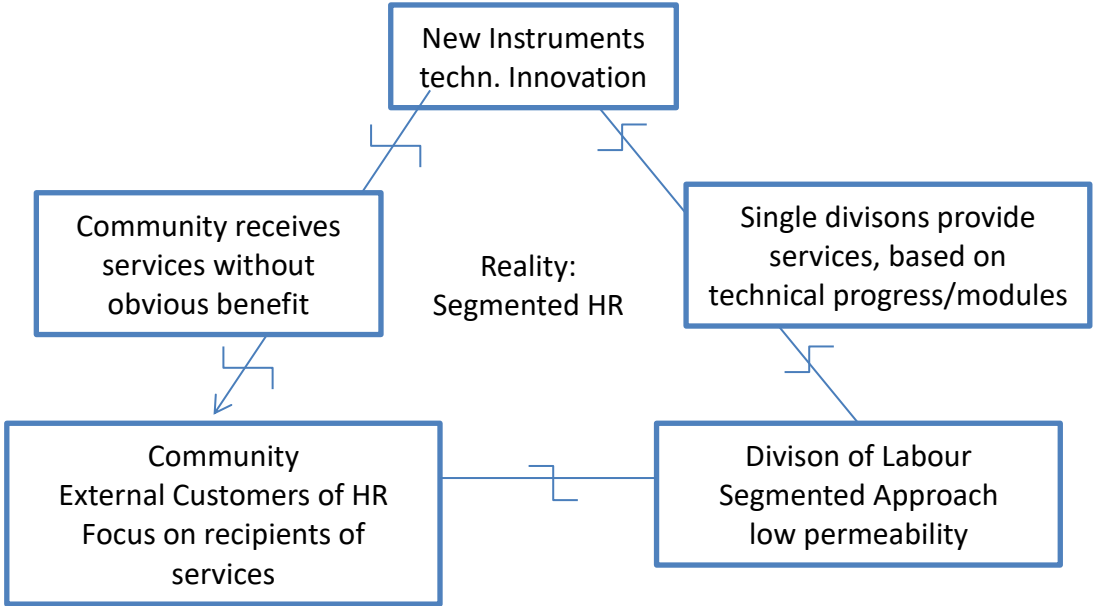


Figure 2: Disturbances in the current perception within Business Partnering

As illustrated in Figure 2 each division in the segmented approach provides single services, mostly driven by technological changes, updates or new modules. By means of these new instruments the community receives services from single divisions, lacking a connection to real existing needs and thus lacks customer benefit. The uncoordinated individual service provision, is not focussing on customer’s benefit. It just provides the new update, the latest policy, the most recent trend, etc..

Social Exchange Theory suggests that a holistic method, Kaptelinin (1992; p. 54) requests of an “integrated” approach, to understand drivers for behavioural change. I named this integrated approach “In-Partnership” to stress the beneficial relationships between the participating communities. This is in line with Ulrich’s basic ideas, but has proven to be misrepresented in the reality of HR.

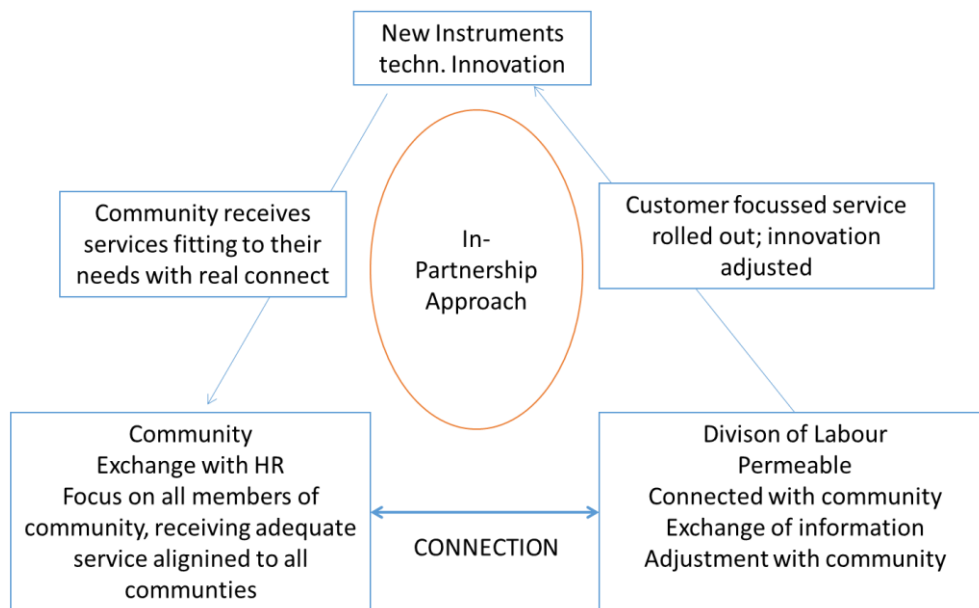


Figure 3: in-partnership HR dissolving disturbances

Based on an existing relationship between the divisions of labour and the communities, the way of working is holistically discussed and decided upon. The community actively participates in the decision-making process, e.g. on a new module, new virtualisation or changes in processes and therefore potential benefits become obvious right away and the communities have an interest to implement these changes.

My model tries to “simplify, reconnect and redirect theory” (Lee, 1999; p. 166) by linking HR strategy and generating outcomes and benefits. It focuses on beneficial activities enabling HR to really be strategic.

The discussion is not technologically oriented but addresses socio-cultural aspects and objectives, i.e. benefiting relationships. This means that needs within the communities are taken care of (i.e. the expected benefits), which leads to a new adjusted way of service delivery people are willing to execute. The customer’s voice is heard and the connection works as a sounding board which serves to understand what HR can do for others to contribute. This is not a one-way street, since HR is invited to introduce

new ideas (stimulus) as well offering improvements for customers. It can be done by means of conferences, workshops or even by using the service centres as a survey instrument to illustrate benefits from a change process. In line with this, new services are rolled out in consent with all members of the community which highlights the degree of acceptance. The new instruments work according to the needs of the community and thus the use of tools will be improved.

My in-partnership concept offers a chance to re-connect the communities and emphasises the integration of objectives and socio-cultural aspects, beneficial for the entire community. I would like to refer to the Literature Review where the low acceptance of high value IT services (e.g. talent management) was discussed. Such a lack of acceptance would not occur if the system were an outcome of HR, instead of being given to HR to work with. Additionally HR would have the chance to contribute to the system itself.

Overall the need for better communication has been shown in nearly all research questions. The negative effects of a missing beneficial relationship between HR and Business were especially discussed in the second research question and the corresponding results from the survey. The third research question asks for a change in the habits and ways HR deals with customer needs/benefits and requests re-establishing relationships.

This thesis offers a path to do so.

5.4 Potential Future Research Directions

The path offered by my humble research will be shaped by future developments, as Ulrich's model has been shaped. It is a snap-shot. In a globalised world, more insight into the way of working is needed, taking cultural aspects into account as well as technological ones. Also, as I alluded to earlier, the emergence of artificial intelligence, an interlinked industry working automatically with little human interference provides new challenges which will affect the world's 'workbench' nations (China, India).

Thus, I would ask other researchers to systematically test current theory and to contribute insights on how HR can be a sounding board and a major player in the course of these upcoming changes:

- I. How will artificial intelligence affect especially the work of service centre employees? Will there be service centres in the future at all? If not, what will these employees do in the future?
- II. Will future technological progress increase cost pressure resulting in decreasing headcount? If so, how can we guarantee the standard of living?
- III. Will new techniques help HR to be strategic? If so, is my underlying premise that HR needs to be strategic, still valid?
- IV. As Business Partnering is ongoing its impact on employee commitment and its contribution to organisational performance is a permanent topic for future theory and practise. In addition, the creation of the strategic spirit and the stimulus for it needs further investigation.
- V. How can society cope with these changes and how will the “class of the useless” (Harari, 2017; p.54) fundamentally affect social systems?
- VI. Are newly industrialised countries ready for the changes and how will industrialised nations be able to cope with the resulting pressures?

By developing these future directions I want to point out that Business Partnering is a facet of a major development shaping our world. The way of working is about to change and technological equipment plays a major role in this process. Seeing Business Partnering in a larger context, it is not only our way of working that is changing, its repercussions on smaller nations like the UK or Germany already are and will continue to be hard to manage.

This research thus provides some guidelines for future research and tries to give an outlook of how HR can contribute.

5.5 Overall Reflections

Business Partnering has not failed; but it is still struggling to develop its potential.

This research tries to support HR by re-focussing on the fallen-off of the agenda (Roffey Park interview) employees. As mentioned before the impact of IT on our daily life will keep growing. At this point the value of conducting the interview with SAP becomes obvious, as especially this one focuses on future developments. It is connected to a basic notion that SAP as a software vendor is waiting for input from HR departments and of how SAP can contribute by reacting to the demands and wishes of companies. The time is right for HR to draw a line and to get ready for upcoming challenges. With my in-partnership concept at hand HR is invited to contribute. However, taking the steps and the decision to do so needs to be done by each HR department itself.

Social Exchange Theory is a useful tool to understand Human-Computer Interaction as an integrated, participative process in which the community contributes by defining needs and expectations, and moves the current technology focus back to the deliverables, benefits and actions. Social Exchange Theory forces HR professionals to think holistically, addressing all parties involved in Business Partnering and to define and point out benefits for the customers. With this theoretical approach, aberrations, such as the creation of winners and losers, the focus on software, a mindset fixated on administration, can be prevented. Stressing the socio-cultural aspect, integrating all players and their specific needs is eminent in my in-partnership concept; thus a segmented idea or single focus is averted. Excluding singularities emphasises the holistic complexity of Business Partnering.

It is obvious that Business Partnering requires adaptation to a changed reality. Ulrich saw the beginnings of the internet era; but we are now facing artificial intelligence, an interlinked Industry 4.0, Smart HR and embedded HR 4.0. The rapid changes we are all experiencing require an ongoing adaptation of Ulrich's model to business needs and customer wishes. Offering social media as a tool for a permanent and open conversation requires business to enter into such a conversation as well. The challenges connected with HR 4.0 according to Baker Tilly International (2015) focus on the developments already mentioned in this thesis:

- Ongoing availability (Baker Tilly International: “always online”, p.9)
- Floating workplaces (Baker Tilly International: “My home is my castle”, p. 8)
- Crowd working and social media

These new concepts address the working culture of companies and reflects customer wishes and needs. As SAP pointed out, knowing the customer’s needs is essential for HR’s success. The new technological tools help HR to answer these needs as “the free choice of working place and time improves employee commitment, improves performance and creativity. (C. Kübel, HR Director at Bosch Germany).

For me personally the thesis was a chance to get in touch with many interesting personalities and to learn from their experiences. At the same time, accomplishing this thesis shaped my way of working as an HR practitioner as well. I used the in-partnership model in several projects dealing with the implementation of ERP systems, or implementing new modules. My research helped me to change my point of view and to re-focus on the customer. I learned to rethink my behaviour and to ask respondents about their wishes instead of presenting software options. The needs to satisfy practitioners have become the initial point for every project to establish clarity and a roadmap for the project.

In a recent project, shortly after the establishment of a service centre, the quality in administrative services dropped due to a loss in well-trained staff, who left the service centre due to its location (rural) and high employee turnover. The service centre management started an interview sequence to better understand the situation and the needs of the employees and we developed a training schedule to quickly secure quality. By employing a few former employees a know-how transfer was possible. We brought down the employee turnover rate by making the service centre an ‘employer of choice’ in that region, by offering diverse, family orientated working hour models. From this research I have learned to develop ways to adapt processes in cooperation with employees and to advocate for their needs in negotiation with IT vendors. The research made me aware that transformation is not finished but ongoing. Every completed project is just a step in a sequence.

Despite the limitations I felt during the research, concerning the rapid developments in technological progress, the limited time next to a regular job, I am convinced that this snapshot can be helpful for line managers, employees and HR professionals to gain a better understanding of their part in Business Partnering and of how they can be of assistance to make it successful.

Appendices

Appendix I

Questionnaire

Question A

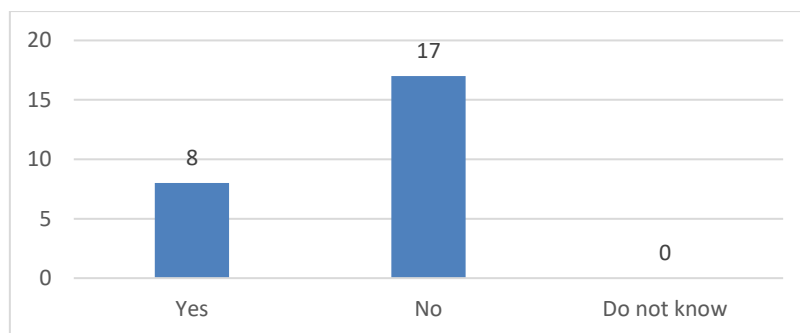
Do you have better access to information?

Rationale for the question:

The focus on online-available information, to make information obtainable via the internet, using online platforms, portals, newsletters and so on, should create a space in which information is easily assessable and thus more information can reach employees. Consequently, staff should feel better informed about important company issues or about the business environment in which they work. In the literature review I described the development of HR systems. Ideally, those systems should have an ERP system, which represents the best form of an all-encompassing IT system with online access and tools. That model should guarantee a commendable flow of information.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
8	17	0



Handwritten Comments: none

Discussion of Result:

In spite of the various forms of “information supply” used by the organisation, 68% of the respondents stated that they did not feel better informed about incidents and developments within the company. This might point to the provided information itself;

is the material available of interest to employees? Defining whether information is “right” should be based on news relevant to or demanded by the staff. That notion leads back to the need to establish a segmented HR on the basis of employees and customers. The following questions should be considered: What do they want to know? What is of interest to those individuals? How can news be delivered in a concise and comprehensible manner? How much information should be included in newsletters, etc.? Perhaps the users should have an opportunity to choose the topics and the frequency at which information is delivered. In this scenario the employee actively decides what he/she wants to know and chooses from a given selection of subjects. The user changes from being a passive receiver to an active player in the process.

Question B

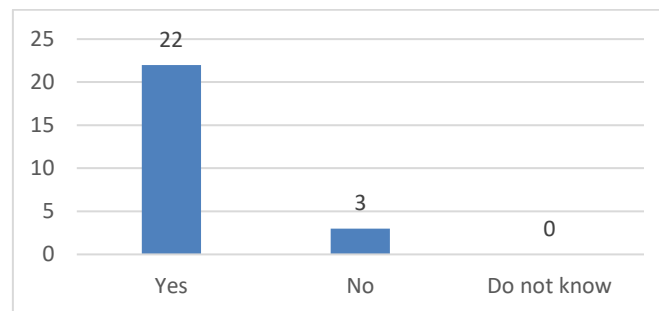
Would you prefer to have an HR representative in person present?

Rationale for the question:

Ulrich's Business Partner Model intends for employees to be referred to the Service Centre, since the Business Partner supports the line managers. As per the model, HR takes over the role of Employee Champion and becomes a sounding board for the needs and opinions of staff. The Business Partner Model is based on a combination of centralisation, virtualisation and remote contact using online tools. If successfully implemented, the model should eliminate the need for an HR representative on premise.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
22	3	0



Handwritten Comments: none

Discussion of Result:

The result of 88% of the respondent asking for an HR representative to be present at the work premises is quite surprising. It appears that person-to-person contact is a value in itself, which seems to be underestimated in the model. The model was introduced in the late 90's and most of the respondents worked under such conditions. Those individuals still reflect on a time when HR was on premise, reachable and provided face-to-face contact. The social dimension of visiting and speaking with someone, exchanging news with the chance to grasp the mood of employees has been replaced by sending out newsletters, rather than simply taking the opportunity to clarify

things in person. The phone call to a Service Centre does not seem to replace the wish for personal face-to-face communication.

Question C

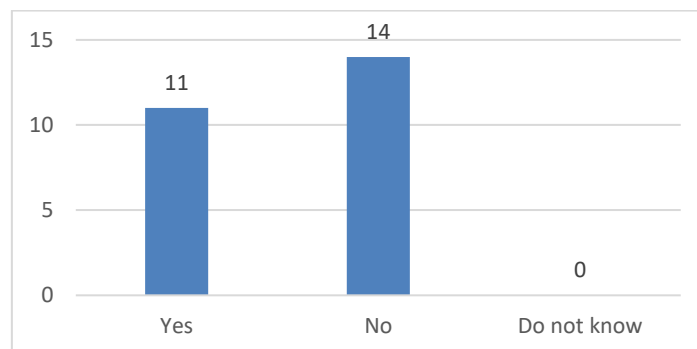
Have administrative processes improved?

Rationale for the question:

By centralising administrative tasks, HR should be freed up. Ulrich's model spoke to the need of eliminating repetitive tasks with the goal of creating an administrative expert. That concept laid the foundation for establishing separate entities for Service or Call Centres. Such a centralised way of service provision almost automatically creates improvement, as people do nothing else but these repetitive administrative functions; they ought to be experts in this field.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
11	14	0



Handwritten Comments: same quality / same bad quality

Discussion of Result:

The good news of this result is that the quality of administrative services has not worsened. 44 % of the respondents stated that they had improved and the remaining 56% declared that the services had stayed on the same level. This outcome shows that the segmentation into Service Centres can be described as quite successful. Although the result is not overwhelming, services could be improved with additional analyses and training.

Question D

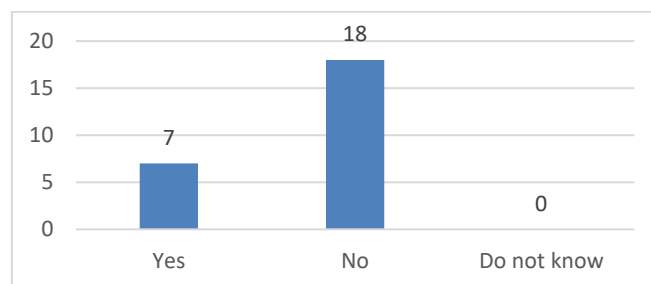
Do you spend less time on administration?

Rationale for the question:

Centralising administration and restructuring the HR segment was meant to support line managers in executing their core business in a better, more focussed way. HR was supposed to co-assist line managers in special areas, but the entire virtualized HR service delivery addressed business' needs and should result in streamlined processes, as mentioned by CIPD. With less time to spend on administration, line managers are freed up to develop the business more quickly; online processes, like appraisals, support such notions.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
7	18	0



Handwritten Comments: HR comes up with new admin stuff, HR has new policies, HR just produces new admin effort

Discussion of Result:

If HR replaces old administrative tasks with new ones for line managers, no resolution can be reached. If an HR department defines the creation of new administrative processes as strategic, it focuses on itself, not the employee or customer. Roffey Park stated that staff had fallen off the agenda and with the re-invention of new administrative tasks HR at best serves itself in order to govern these processes and to hold records. This line of thinking results in a situation where HR will continue to stay in its comfort zone, line managers and employees experience little or no relief and HR does not become more strategic.

Question E

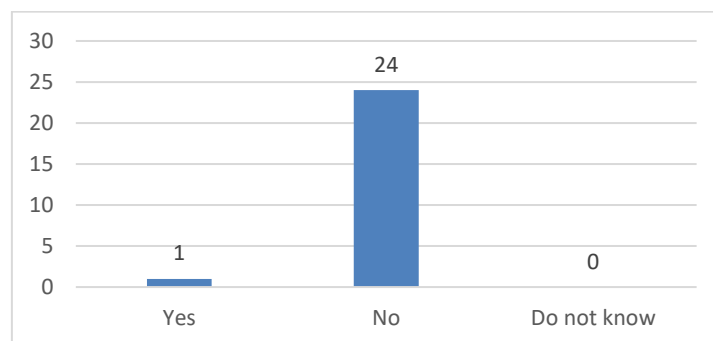
Do you think that HR's new structure works according to your needs?

Rationale for the question:

The need to define processes from the employee's or customer's point of view has been addressed at length. Therefore, creating processes from the user's standpoint is essential and helpful to implement them successfully and to reach a high grade of acceptance and satisfaction. If systems are intended to unburden or to streamline, then they have to be designed according to the needs of the user. The following question addresses whether such thought processes had taken place before implementing new methods.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
1	24	0



Handwritten Comments: none

Discussion of Result:

Here the problem of being the last department undergoing transformation can be seen. Resources, time and money might be used up. The systems are put in place as they are and processes have either to be arranged according to the system or as 'in-addition' programs framing the ERP system. Customising is the key challenge for HR, which means to either adapt processes to the system or to adapt the system to the processes.

The implementation of a system is not a panacea for all issues. The following diagram illustrates the problematic nature of that logic.

Question F

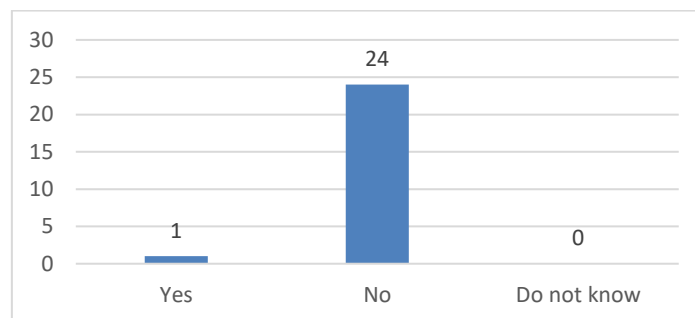
Does the new structure increase your job satisfaction?

Rationale for the question:

The segmented HR was supposed to help everyone, Roffey Park commented on this. The Business Partner supports the line manager. Online tools should provide relief for line managers, and the centralised Service Centre administrative tasks are taken away from the Business Partner. A win-win situation for everyone; the new structure should have a positive impact on job satisfaction, especially as HR functions as the Employee Champion.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
1	24	0



Handwritten Comments: local specifics changed for standardisation, HR people fired, Service Centre fluctuation high, severe problems, system updates, sometimes the loss of data

Discussion of Result:

The acceptance of an electronic system is connected to its reliability; technical problems destroy a systems' reputation. The intended reason for implementation, to alleviate burdens, is not fulfilled and even creates the opposite effect. When a local branch loses local specifics due to the transformation and standardisation, an additional trend arises: employees lose their familiar work environment. The idea of home is equivalent to the results as experienced by employees. People become

redundant, new systems fail and the existing staff could be overworked. Enthusiasm about the potential of the new path is replaced by frustration.

Question G

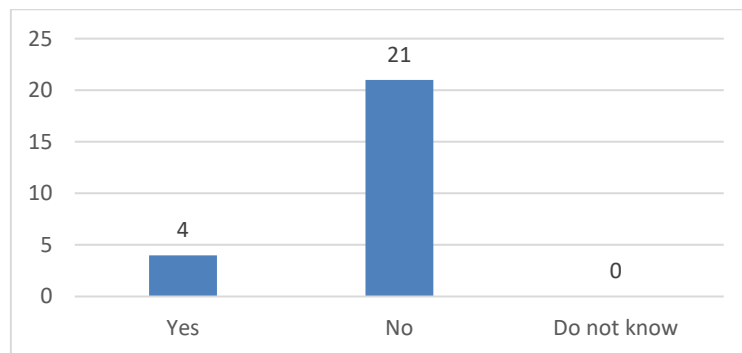
Would you like to have more virtual HR services provided?

Rationale for the question:

The interviews, especially with SAP, showed that business is still at the beginning of digitalisation, and slogans like 'big data' and 'Industry 4.0' are all around us. If such processes are to be successful, a real need that asks for such developments must exist; otherwise systems are implemented, but not used, like the ADP survey showed.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
4	21	0



Handwritten Comments: none

Discussion of Result:

The willingness to have processes virtualised further is not highly developed. The systems already in place are prone to daily failures, which impacts the ability of line managers to efficiently execute his tasks. The fear that more IT-based HR could mean more work is understandable.

Question H

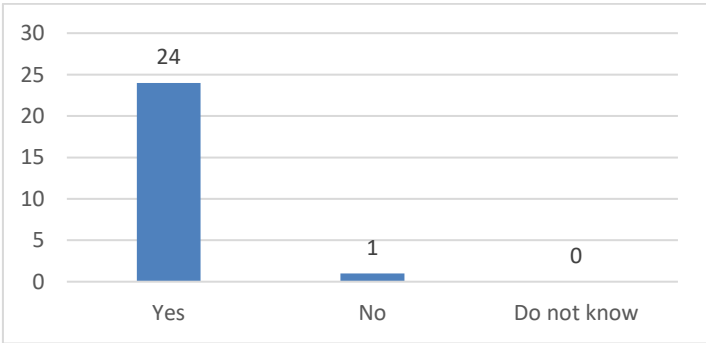
Has the original HR department been downsized?

Rationale for the question:

The idea to eliminate staff and to centralise tasks in Service Centres implies that a local branch will be made redundant. The interviews suggested that the cost driver is a dangerous motivator, and done incorrectly (Towers Watson), no saving can be achieved. The literature review proved the opposite.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
24	1	0



Handwritten Comments: none

Discussion of Result:

By downsizing, HR departments realise savings in the local branch as well as in the Service Centre by paying lower salaries. Nearly 100% of downsized HR departments stated that the cost driver is a very strong one. The loss of colleagues, who perhaps have worked in HR for long time and with whom employees had contact over years, can influence mood and job satisfaction negatively.

Question I

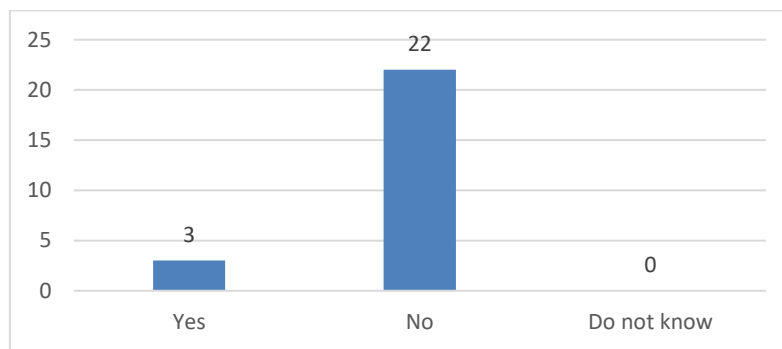
Has the original HR department been freed up to become more involved in strategic decision making?

Rationale for the question:

The new world of Ulrich's model is represented by an HR department that focuses on strategic issues. Ulrich's notion is that HR now has the capabilities and the time to become strategic and to be actively involved.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
3	22	0



Handwritten Comments: more policies

Discussion of Result:

The literature review showed that HR managers still regard themselves as passive. This diagram supports this opinion. It is sad to see that HR does not use the opportunity to become more strategically involved.

Question J

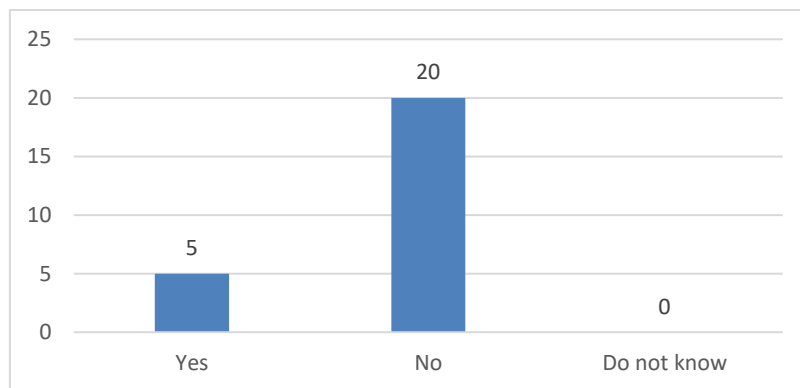
Would you say that HR has been unable to execute its original tasks during transformation?

Rationale for the question:

The literature review showed that the transformation of any unit represents a daunting challenge. Routine processes are suddenly interrupted, which has a huge negative impact on vendors and/or employees (University of Dresden). The question addresses this topic to complement the picture of a problematic implementation.

Answers:

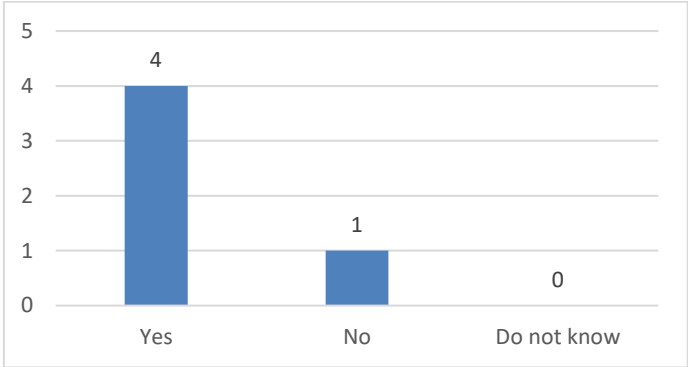
<u>Yes</u>	<u>No</u>	<u>Do not know</u>
5	20	0



Question K

If so, did this destroy HR's reputation?

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
4	1	0



Handwritten Comments: none

Discussion of Result:

The technical implementation of the new system seems to have succeeded in the companies for which they work. There were only 5 reported problems in the transformation phase, 4 of which had a negative impact on HR's reputation. In one case, the respondent classified the reputation as destroyed. This stresses the importance of good planning and a thoughtful approach when implementing such a complex system. As HR blue stated, a system needs to be implemented in one stage, not sequentially.

Question L

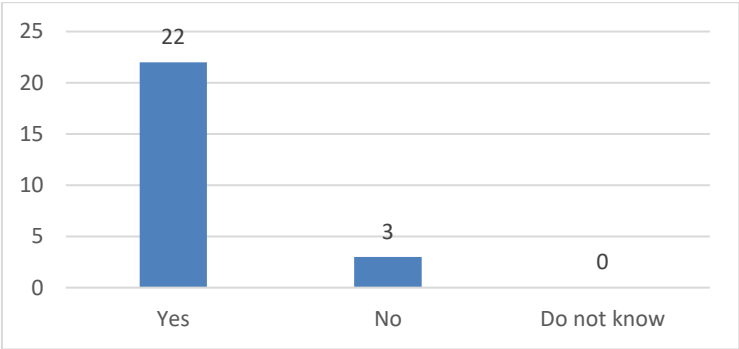
Do you think that the HR function after transformation has lost contact with staff?

Rationale for the question:

We heard much about HR being the Employee Champion according to the model; the interviews showed the chances that a new segmented HR could bring, but also the dangers when done without focusing on the user’s needs. This question addresses the point of Roffey Park that HR has fallen off the agenda and asks for the respondent’s opinion on this.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
22	3	0



Handwritten Comments: none

Discussion of Result:

This result shows that HR should take a break and re-think its activities. Without the subject –the employee– HR has no real foundation for any claim to be in any form strategic, operational or anything else. If the employee is not the centre of all efforts, then HR loses more than just its reputation. HR loses its fundamental right to exist.

Question M

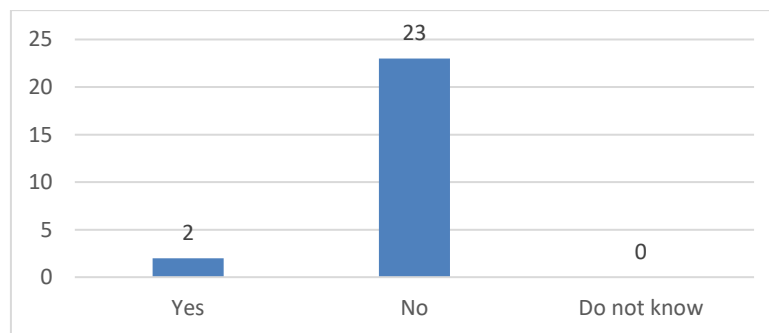
Has the new virtual HR department become more strategic than before the transformation?

Rationale for the question:

This thesis has frequently addressed the idea of becoming strategic. The key message of Ulrich is to become strategic, which demands an active movement from the respective department. SAP called it to “turn from passive to active,” which also encompasses active movement. This question addresses the willingness to change, to become active and strategic.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
2	23	0



Handwritten Comments: none

Discussion of Result:

Since HR is stuck in classical tasks, there seems to be no way out. Lawler and Boudreau (2012) stated: “Each time we have done our survey we have expected to see some change in how HR spends its time, but it has not appeared it remains a function that spends the majority of its time on services, controlling and record keeping” (pp. 25, 27).

Question N

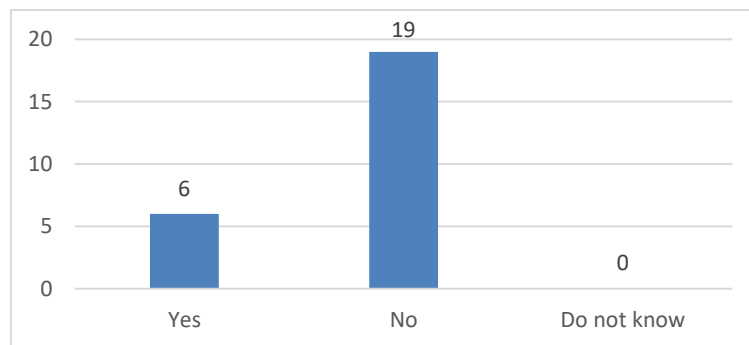
Does the new structure make a positive difference?

Rationale for the question:

This question asks if the respondents see a positive change or if everything could have stayed the same way as before the transformation.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
6	19	0



Handwritten Comments: some online services, vacation days online: so what

Discussion of Result:

This sobering result shows that HR was neither able to actually realise the possibilities of a segmented virtual HR nor to make its advantages obvious. According to Lawler and Boudreau (2012), "Overall, the data suggests that HR still has a considerable way to go when it comes to adding value as a strategic player. In most organisations HR is still not a full partner in the business strategy process" (p. 41).

Question O

Would you agree with this statement?

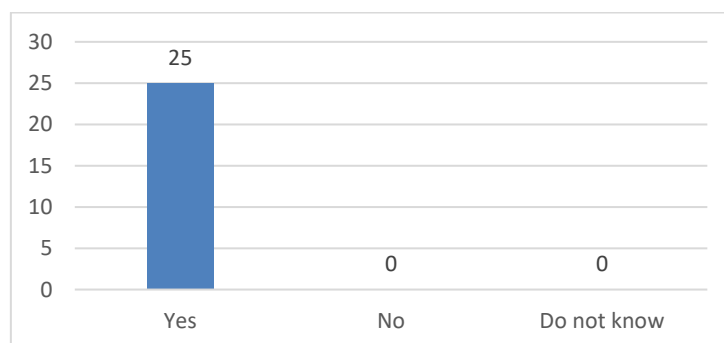
HR function in general is becoming increasingly virtualised?

Rationale for the question:

In the literature review I demonstrated that new topics like big data or Industry 4.0 are on their way to become realities. SAP confirmed this point of view, and HR blue brought up the example of banking, which is executed almost entirely online. This question addresses the respondents' opinions on whether they think that they are part of an ongoing process or if virtualisation has come to an end.

Answers:

<u>Yes</u>	<u>No</u>	<u>Do not know</u>
25	0	0



Handwritten Comments: none

Discussion of Result:

All of the respondents responded that virtualisation would continue and grow. So, what does it take to make it successful?

Appendix II

Interviews

Interview with Roffey Park

Horsham, 20.03.2014

B: Roffey Park I: Andreas Lischka

I The BPM is now nearly 20 years old. We all know that there was a big hype, they all put in place the service centres, call centres, they restructured the human resources departments. So now the world must be a better place.

I Everyone efficient, service orientated and service delivering. And then I had the chance to look at the literature and if you start from the literature in the late nineties after the book and after his presentation in Montreal, everyone was very happy about the new model, everyone was very delighted and enthusiastic about the new model and every HR director in bigger companies was running for it.

I I was quite astonished to read your Management Agenda 2014 because it sounded like a repetition: we will become more strategic. Someday.

B I'm going to say, probably before most things, it kind of depends and it really, really varies. It really varies. There is so much I find fascinating just in what you've said so far. And we could explore some of those threads. So, you know, ethical, moral, maybe it's been the same in Germany, but what's been happening, you know, in the banking sector in other sectors as well over the last couple of years has made it through to the HR headlines. Where were we?

Where were the questions about even compensation benefits frameworks? Where were the questions about even, in the hardest commercial terms, reputational risks?

B Can you imagine, let's just take it out of banking and let's move into car manufacture, can you imagine Mercedes or Volkswagen saying, I know what we are going to do, let's make a car, okay, that we know frankly will turn out to be a disaster. But that will be okay too, because I tell what we will do, we will bet on how many of these cars crash.

B So if they fail, we make money; if they win, we make money. And HR is saying either nothing or what a great idea. I tell you what, and for doing that, how much more money would you like? Can you really imagine any other sector.

So, the questions about ethics and moral and that is a caricature. And HR has been asking itself those kind of questions. And I think that there is all sorts of threads even in that. So that it asks questions about where it in organisation level? Did we consider ourselves to have permission and authority to question that? Why were we not questioning it, if we didn't thing the moral authority? There is other questions about the people bid of it that every now and then make it into the headlines about, you know, how has HR lost sight of the employees.

B So, where is HR transformation at the moment? I think it varies according to the size of the organisation and their history and their sector.

Well interestingly part of the reason I was late for the beginning of our meeting, the conference call was with another organisation who is going through an HR transformation. We are working with them and doing a program for their business partners and part of the difficulty, it's interesting, is that the client has not a very clear sense of what success looks like.

The difficulty for the participants on the program that we are working with, is they don't know what success looks like.

And they are also telling us, the managers they are trying to support, don't know what success looks like.

And simply in terms of the contractual relationship between Roffey Park and it's client, I think the client is somehow coming to this program as if Roffey Park is going to wave a magic wand over their people and is kind of saying to us, you know, do you mind just getting on and waving this magic wand over them and give us a ring when the stardust has settled.

Organisations are really serious about wanting to do HR in a different way. They are serious about what HR can offer, but haven't yet found a way of making it happen.

And there is number of reasons in that. And back to the Management Agenda 2014

B If you want the full report, we can give you the full report.

I Ja, I have the full report already at home.

B Okay. So that was twenty years ago, Mister Ulrich.

A few things that for me were that kind of standards from that. We were trying to understand organisations reporting this is going well what does that correlate with. And where organisations are saying, it's not going well, what does it correlate with. And I don't think anything has changed since we did that research and that was what, 2009, so we are now already five years after that.

Thinking about this, if you think of the headings what, well, why and what and kind of the who, but and the how, the why, organisations that were saying, in a way this way business lead, in other words, there was a clear business strategy behind approaching HR in a different way also tended to be the ones who were reporting successfully. At the other end, those who were saying, we did it because it was the fashion.

We did it for cost savings or we did it because, you know, the chief executives suggested it or it was an HR initiative, they were less likely to be reporting successfully. So there was something really, really important about the why. Because actually it's not an HR transformation. It's potentially a business transformation. HR is a part of it, perhaps not even the most important one.

It is a completely different way of understanding and enabling organisations and their people to achieve what they are there for.

So, the why was an important question.

So and again, I think that's still true. So for the organisations you have a clear business rationale and a clear understanding of why we are doing it and what success looks like. They are more likely to kind of succeed with it in some (way?) I said before. The what bid, there was something about what model are they adopting.

In our research there was also some interesting questions about their culture and structure that seemed to correlate with success. So again, for organisations who were just classically very hierarchical or whose culture was very or almost exclusively task focussed and not so relational.

Again, they were less likely. And it was almost the straight line.

They were unlikely to be reporting success with implementing it.

And it should be obvious, because actually the whole business partnering thing it is, both, about being goal focussed on an outcome, a business outcome, and it is delivered in a relational way.

The other thing that was interesting was about if you like the how. So that how organisations approached adopting it. And what struck us, was those and I'm doing this, because what struck us, organisation who were approaching it almost in an iterative, cyclical process were more likely to be reporting success than those that approached it just like, putting a memory stick in your laptop. So in other words, the start of it was what's the business case and what's the model we are going to adopt and the outcomes, are we clear about that? What are the roles, people, responsibilities people will be adopting and are they clear about that. And what are the success measures. And almost continually reviewing that they were more likely to be successful, where, so for instance the organisation I was just talking to what leaves me really nervous is their HR people don't know what goals looks like. They, themselves, basically have delegated to us to tell the participants on the program what goals looks like.

And that's really scary.

And they are really not clear what the outcomes will be. But they get this, they have the view the HR needs to change in order to, you know, deliver what the business needs. The other thing in the second report, that was really striking and why we did that, was the line manager bid. Because what was disastrous was where HR were coming up with this as an HR initiative. And at the end, nothing has changed. And if these guys are saying, typically HR role of the, the line managers are saying, HR is now asking us to do their job. You know.

So nothing has changed there.

Not sure whether this is answering the question, but you know, in terms of HR transformation, the short answer is, it's very patchy, we are seeing the same problems and, to my mind, they come under those headings of why you are doing it. Who is, as you said earlier on, whom is this serving?

I think that is a really, really key question.

Because where it is not working we hear, it's not working for employees, really not working for employees. If it's not working, it's often not working for line managers, because all of a sudden they are being told, no, that's your job whereas once upon a time it was HR's. And therefore inevitably HR will be saying, well, it's not working for us, because the evidence is, rather than thanking us for doing this, they still don't like us.

I But what went then wrong in fact? Let's stick for the first idea that you presented, for the banking sector, who definitely spent several millions on implementing all these service centres and those new ideas, who always want to be ahead of those developments.

B I think some of it has to do with what was the status of HR in the organisation.

B Did they have a legitimate voice?

B Were they, you know, were they credible? Were they listened to? And some of that, I think, you can't tease out what's happening at the organisation level, which for me connects to that. You can't understand this without looking both, at what's happening in the organisation and what's happening in the profession.

B If I'm to be a little bit cynical and if I was to use the voice of lots of line managers, they would say, this is all serving HR.

B And actually, if that is how they see HR, the trust, that the partnership depends on, is sunk, absolutely. So sometimes on our, you know, on our programs we'll get people thinking about, that there is some work of a guy, I think Charles Green, looking at trusted advisor like David Maisters work on trusted on trusted advisor and what is it that contributes to that trust. And it is interesting, he proposed this simple little formula, not that life is like that, but it is easy to remember and he looked at kind of credibility, so you know, are your words believable? And he looked at reliability, so you know, do we do what we say? And this word he used, intimacy, in the sense of is there a kind of confidential relationship between you?

And he said, if you add all those up and made it, you know, made it a sum, so it's, you know, A plus B plus C all over D, and D was basically whose interest, is it self-interest or the others interest? And what he was suggesting was, that where the business, where the line manager, where however experiences what HR is doing, as being all over HR, doesn't matter how credible you are, the trust is gone.

So, this question of whose interest are you serving, if you come back to now that professional bid and you look at, as I'm sure you have, certainly in the UK the evolution of our profession, you know, go back to, I don't know, even the beginning of the 20th century and this welfare. In a way the foretaste of organisation developments and the idea that commercial success and treating people humanly weren't mutually exclusive, they were actually interdependent.

Radical. So here was this body of knowledge that was about both, the human beings and commercial success, okay? And the human relations stuff and all that went from there. And then certainly in the UK kind of, well, I guess the fifties and sixties, in the kind of post war boom, we had virtually full employment, okay?

So in a period of full employment the power of the trade unions rises enormously and in most work forces, you know, well not most, but in a lot of organisations there was kind of a plurality of power.

So there was management and there was the union, all right? And the organisation's success seemed in some way to be depended upon holding both those legitimate sources of power in balance. So now you've got the personnel management function again we have moved on from welfare and now they are holding quite a significant power broker on. And then you come to, it started to change, okay? It started to change in the US, I guess, when Japan came on the scene. An all of a sudden, you know, Japan can make cars cheaper than the US can, and what? Better?

You know and I guess there were challenges to Germany, there were certainly challenges to the UK and, you know, and then through the seventies, the history and, you know, and in our case with Mrs Thatcher the demise of the trade unions and now, if you like, the power balance has shifted. So we have got some economic drivers on competition. And we have got rising unemployment.

And we have got start doing something really serious in businesses. So now there really is only one legitimate source of power in an organisation. And it's management.

So, what happened to personnel's role as power brokers.

It's gone.

So what do we do now? How do we attach ourselves to our status?

How do we invest our identity with now? Because the unions have gone and the workforce they aren't seen too kindly anymore. I know, let's rebatch ourselves, let's call ourselves human resource management. I am being cynical. But, so let's change the term and in that we are, what we are saying is, the people who work here, we can categorise them along with the manufacturing plant, along with cash flow, let's be honest there. They are simply resource.

And, you know, by the way, Mr Chief Executive, I'm the man who can help you manage this resource. Happens to be people, and I know your finance director will have you manage the cash.

But, you know, I am the man for the people.

So, there is one story and it's not the whole story of course, but there is one story throughout all of this, which is, you know, actually the HR profession has a long history of serving its own interests.

So now we have come at, we have become, you know, the HR profession, we have invested our identity with management, but we have not been all that welcomed. Because management has still not seen such a massive difference, so we have identified ourselves with them, but we've still been doing, you know, pay rolls, sick leave, maternity, disciplinary, so all the transactional stuff. And then, I guess, where Ulrich was challenging us to and I think, something we would always, I guess, emphasise with business partners we work with, it's not about the model so much as the mind-sets. And I think, he was challenging us to shift the focus off ourselves actually and elevating our own status. And if we are really want to be recognised, really prioritise what the business needs. And I think, what he was saying in the structure bid was, it might help you achieve that end if you organise yourselves in a different way, how about, you know, outsourcing this, how about having centres of excellence, how about simply having these specialist business partners, maybe even embedded in the line.

So what am I saying? I think we have a long history of looking after our own interest, you know, as HR professionals we have a long history of trying to be recognised, raise our status as a profession, get better acceptance within the organisation and we have never managed to pull it off. To say utmost dramatic: we wanted to be loved, to be important. And I think even now we are in the same position, and I think some of the evidence here, and it's really interesting, managers seem to be saying, yes, we appreciate HR, but then when you look of what they appreciate HR for doing, it's the transactional stuff. And then they say, what would you like HR to do more of, well we would like them to do more of the strategic stuff.

I Whatever this means.

B Whatever this means. As it is not line managers job to define HR's job. HR must define itself. Perhaps in discussion with the line, but it should come from HR and not passively being received from the line, or a consultant. Then we are back: HR is told to do this and that, and HR executes, passively, re-acting.

So where does this leave us? I think we have as profession not a great history and we are perceived as being self-serving.

And as an organisational level now managers can experience it as self-serving. We have failed to find ways of really bringing the benefit of what we claim to have expertise in with some, with exception. So therefore managers will continue to use us for the transactional stuff. And I guess, you know that our experience working with organisations is that we continually hear: HR people caught in that pattern. I want to be strategic, but I just got asked to do the operational.

Long story. Let's just leave it there, maybe you better ask me another question

I It makes sense and if you just think this to an end in fact that would mean that HR guy Ulrich presented something fulfilling all HR self-fulfilling needs. Perhaps even his own?

B It is so, Yes, absolutely. I think there was a lot of misunderstanding of what he was trying to do. And I think where we have misunderstood it and it has not helped is if people saw trying to do as a structure. Well it wasn't, really. But everyone, as you said, was jumping on his guidance: do shared service, do a COE, and at the end : Strategic Partner and Player

I mean the structure was a means to an end, but I think the invitation or the challenge was, if anyone in the organisation can help at achieve what it's about, through to its people, is you guys. Just go do. And don't be so worried about yourselves.

And as you say, I think a lot of organisations thought, hey, this is our ticket to HR having a place on the board. Which is the self-serving agenda again.

I Indeed.

B And I suspect the CIPD would have a different perspective on that story and they have been immensely successful as a professional body in elevating the status of HR, getting chartered status, consistency in the qualifications all of that. That they have done superb job. And somehow other, I'm not sure it has helped do them businesses, you know, there is a huge business around the business partner. ... Yeah.

I From my up to now interviews even line managers not only employees who are just now focussed on their line manager, because he is the living HR bible nowadays, the role of human resources might be strategic: but where ?

B Might be in the headquarter.

Yet in one single plant, for instance, sometimes it seems as if human resources has vanished.

I It's somehow gone, somewhere.

B That's really interesting, yes, you're right. Yes you're right.

I Or human resources is now a telephone.

B Yeah, that's right. Which again is something I would agree with you entirely. And we hear the same things. So it's the employees who have fallen off the agenda.

And the employees who no longer seem to be, you know, central in HR's thinking. You know, for whatever reason. You are right. And it's interesting, I think there is a lot of organisations now bringing those services back.

I What about the Employee Champion?

B A myth. The EC is for me an example of Ulrich's need, HR need, to fulfil everything at the same time, which does not work. As we said it, it seems staff is off the agenda. It is enabling something. You cannot serve staff by not being reachable.

B You will have heard of the, you know, of the disaster. So it all just becomes very transactional.

B And what we also hear again and again is, so just to complete the picture, this HR business partner saying, but I really want to be more strategic and I've got so much that I can bring to you, Mr line manager.

Okay? And they may really believe it and really intend it. And then the line manager is saying, why would I have a conversation with you about that? When, you know, you overpaid one of my people double last month and then the next month took it all back and he's now defaulted on his mortgage.

You know? So, you know, and then of course this person gets called back and to trying to sort out the transactional stuff. So very, very often we, you know, hear the stories of the operational stuff being done badly and therefore them not having the permission to do the strategic stuff.

I And if you're not able to get the pay slip right, how do you want to jump here on the table to discuss my line-business...

B Yeah, yeah. That is what I tell you, that is what they are telling me about some grand plans for changing our organisational culture.

I Yes. Get the pay slip done.

B You know ... Precisely. Yeah.

I As easy is that.

B Yeah. And I think it resting there, yeah, there are some organisations we know who are bringing back some of these overseas kind of call centres bid. And when that happens, you know, the narrative in an organisation that this is all about HR, becomes all the more credible. You know? Because they will be saying, well you have ignored the employees, you know, and this seems to be yet again about HR just trying to raise its status. I don't believe it is. I genuinely do believe most HR people go into the profession to be able to make a difference for a business through their people.

B Just don't happen ((laughing))

I If you have a look for instance here on page 26 of your report for instance stating, that nowadays more than 60 per cent want to become more strategic.

- I Still.
- B Yeah.
- I I just ask what have they done in the last 20 years, in fact?
- B Well.
- I And what is, for your opinion or in your opinion, what is strategic? Is there a common ground on strategy? What is HR strategy?
- I From your experience, do those people have a clear set up about that?
- B No. No, I don't think so. So the work that we do is both with organisations just on their own. For instance, the call I had before, we spoke was with one organisation and a program specifically for them.
- And we also run, a public course that people from any organisation can come. Typically the people on the public course are at a less senior level, not always. And for those people while they may say, yes, I want to be more strategic and believe it and intend it. They don't always have a really clear sense of what that means.
- And yet it is a bit of a mantra.
- And, you know again, there is an extent to which strategic is sexy, operational is dull, all right?
- B But if we can help them get past that into what you mean by being strategic, so I guess on the open program it's not uncommon for people to be quite hazy about it. But again even at some of the tailored programs ... Yeah, in our experience, you know, depending on where HR business partners are and as you know, even that is a term that gets applied from entry level in your career to board level.
- So depending on where they are, these guys you'd hope have a really clear sense of what HR can contribute to the strategy and we've some great examples of that and there are some organisations who absolutely got that and HR is making some radical differences. But at the operational level it's so often the case that they are still so caught up with the day to day in the operational and the transactional that they aren't able to break through to be bringing anything more ... I think often people mean by strategic something of greater value.
- I Which is still an unclear term.
- I Some articles, for instance, it was a very simple definition in some days, namely that there is human resources management minus all the repetitive, dull stuff and the remaining stuff must be strategic. Whatever it is. So anything else but pay slip, maternity and all these things must be strategic.
- B Right.
- I Whatever it is, it must be strategic.

I And are there so many topics which are really long-lasting? But if you look at certain things, I do doubt to a certain point that you can be strategic every year or every months or every day. Or is this wrong?

B You are right, no, no, no. I agree. But again, it depends on the level. And if we are talking about individual roles or the HR function and whether the HR function's focus is the long-term in the strategic, even though in order to achieve that there will be some transactional stuff, you know? Just the same as in, I don't know, in finance, suppliers have to be paid, clients have to be invoiced. So is the person who is processing those transactions strategic? No. But if that's all the finance function is doing, you know, I don't know, I'm no finance person, but you would hope there is some bigger picture thinking about, I don't know, let's suppose the business is positioning itself ultimately to merge with some organisation or develop an international presence to change its, you know, internet profile, what are the financial implications of that? You know? Given rates, whatever.

You would hope somewhere in the hierarchy that the whole process ultimately is in service of that. So you're right, you know, can an individual HR person be strategic every day? Clearly it can't. Is the desire that it should be realistic? No.

B But, and it's interesting, a couple of years ago when we were thinking about these questions, one of my colleagues was saying, well, if the transactional stuff is gone off shore, yeah? And we've got the centres of excellence stuff doing, completion of benefits, whatever else, what's left for HR?

And we were wondering, is what's left for HR OD, so organisation and development. And we were curious about ... And it was interesting, there was a trend for a while, we were running quite a lot of development programs for HR professionals in OD.

Which was encouraging and what we started to see was quite a blur between OD and strategic HR.

And clearly that's not going to be daily work of everybody in the HR function. But where that was happening, then you could say, all right maybe that is strategic. But if you think oh, you know, an organisations external environment here and then ... And kind of spanning that, let's put down here, we've got, you know, the everyday work force, so they are both in the organisation and interfacing with this external environment. And this model talks about some transformational factors and some transactional kind of factors within an organisation's performance. So you've got, you know, strategy and mission and you've got, I think this one and leadership and you you've got culture and then below here, you've got, you know, management practises and systems and polices and so on. And down here, you know, you've got your work unit climate. So if

HR are being strategic at this level, someone you would hope would be having the conversation.

Well given the external environment we find ourselves in and our ambitions as a business, what's the strategy we're going to adopt? And in order to achieve that, what kind of leadership do we now need? And, is that consistent with the kind of culture we have? And if we say we have that culture, what are the management practices. And the interdependences and consistency between all of these, I think, is the domain either of OD or strategic HR.

So you would hope, I guess at best, that this business partnering approach might when it was working as intended, if you have taken out and it works well the operational and transactional stuff, I think, the desire and it can be that these kind of conversations then become possible.

But to answer your question, no, it's not going to everybody. You would hope that somewhere somewhere higher up the HR chain.

B And that what this manager is doing makes sense, because, you know, as they are managing it in a way which is consistent with the managing practices we have said we need given the culture and style of leadership we want to have in order to achieve our strategy in the external environment we are in. So hopefully there is that kind of coherence, you know, but this is an OD model.

I guess where it is not, is where the whole HR function finds itself doing transactional stuff here, but supported by, a shared service centre in the Philippines and, you know, centres of excellence which might be, a law firm and an outsource pension contract or something.

I And the rest of it is just in nice frames stating vision, mission and the values.

B Yeah.

I In this very nice one, here in this survey, you find that, we spoke about it in the beginning in fact, that HR people define themselves as reactive.

B Yeah.

I Especially 33. 32 is the external evaluation of human resources as being reactive. And then on the next page, 33, you have HR managers and HR managers state, that they are too reactive.

B Yeah.

I What prevents them to change behaviour?

B I think this is two sides of the same coin. They might be reactive, but that's what I want them to be.

B So reactive and I'm pleased.

B Reactive, but I wish they were a little bit more strategic.

B And if you are to ask these people it might be reactive and I'm exasperated by it.

B HR people want themselves to be more proactive or whatever.

And I think all the things that stopped them is the vicious circle we are talking about. So if they are caught in being reactive, have the managers got the capacity and confidence to do what is being required of them given this business partnering role.

And if not, of course it's just going keep coming back to you, you know?

If you are a line manager and I'm a business partner and all of a sudden I've said all your recruitment and all your performance management and all the career development is now yours, because they are your people but do give me ring.

You know, how confident do you feel to do that? So if you're not and as an HR function we have not invested in the line manager readiness, which is another one of the things that came in our research.

Of course I'll be caught up in the reactive and it's my fault, really.

So I think it's a bit of a vicious circle. Some of it is about line management involvement, some of it is about, you know, the systems not working in the way it was hoped they would. And the other thing that we often come across which is interesting is some of it is about the HR people themselves.

Because if my sense of right at the person to person, individual role level ... If my sense of personal satisfaction through all my career to (date?) has been invested in sorting out your problems and when you come to me with tricky disciplinary, it's Alex who puts it right for you. Where is the pay off in stopping doing that? I don't really know anymore where my sense of personal value is coming from. So we do see HR practise in this, if you like, conspiring and doing more of the reactive work, because it validates it.

And organisations we talked to when they have introduced the business partnering approach interestingly have divided their own HR functions and sometimes to their surprise almost into three. Those who love it and have wanted to work this way all their careers. Those who aren't quite sure, but might get there. And those who say, this isn't for me, you know? And I lose my identity in this, I lose everything that I've been used to my role being all about.

And there are some organisations who literally have parted company with those people quite happily, because it's not for them in this middle chunk of being polarised.

So line managers failure of systems and sometimes HR, some HR professionals keeping doing the reactive stuff, because it's what gives them a sense of value.

I There is another outcome of the study, that employee relations are not that important anymore nowadays.

B Yeah.

I Why do employee relations do not give any satisfaction? Or another outcome is for instance that the line managers do not feel supported that they are working in high challenged jobs with low support.

B Yeah.

I And why is supporting those people not giving any satisfaction and why are employee relations not satisfactory?

B Yeah. I think, I mean the employee relations thing, I think, largely depends on the industry and unionised it is. So, energy sector, railway, some of the former and some of the public sector where there are still heavily unionised employer relations are really important.

In some parts of the private sector where it is a much more individualistic and collectivist kind of culture, you might not even have a specialist employer relation centre of excellence.

The professionals who are involved in that find it immensely satisfying.

So I think yeah, it think it depends on the size and the sector and how unionised it is, certainly in the UK.

But, you know, generally post early eighties, the employment relationship in the UK has been much more individual than collective.

You know, on all sorts of levels. And again, more in the private sector, lesser in the public sector.

B Why are they not supporting these ...

I Yes, why are they not supporting these? Because if those managers do not, they do feel at it's stated here in a nice diagram, they do feel that they are working in a high challenging job but they do feel, that they are low supported. So this would be then an even strategic role, because this would mean retention, because in that diagram you just see, that several people that 60 per cent of the managers are up to leaving the company because they not supported.

I And that would be a classical role for human resources.

So why are they not feeling supported?

I Because they do not receive any support? And why is no support offered?

B They might feel unsupported just generally.

B But you're right, why isn't HR offering more of the support in that case.

And why is HR jumping into the situation where there is some misunderstanding between the boss and the line manager?

And I'm just trying to think of examples. I'm not sure about any trends with that.

B Nothing kind of really comes to mind, because I can think of examples where, particular higher up in an organisation, the HR person alongside someone would be considered

as incredibly supportive. And I can think of organisations where, and maybe some of this is a function of sizes as well where senior managers would not feel at all supported and that the HR function was disconnected.

Yeah, I don't know. You know, other than the things we have already talked about, so, you know, the maturity and size and setup of the HR function, why they did the business partnering and how they've created the space for themselves to do that support. And it would be interesting again, why there is any difference in the public sector and in the private sector. The data might show, but my hunch would be in the public sector that would be a very common feeling.

Where HR has been systematised, yeah? And where line managers would not have, you know, a lot of support and probably not a lot of regular support from their HR person. Yeah, apart from what we have talked about already, I'm not sure what else would explain that.

I Is for you there a development back from this high tech approach to the old high touch approach, where there is one-to-one contact?

B I don't know that that's the answer. I don't know that that is what's most required or that it's mutually exclusive. Or if the technology works as it's intended to work and accurately looks after the transactional stuff, I probably don't need contact with the HR person. You know, so for instance, we just renewed our car insurance, I could do that online. And I got a bunch of questions that cover everything that the insurance company would need to know from my, you know, my daughters and the insurance from their age, even what they are studying. And it's handled. It's got to be ten years or more since I spoke to an insurance broker. So where it works well, I don't think it needs the contact with the HR person. But I think what it does require, is the kind of the people function, the HR function to be investing in the people management capacity of the line managers. So if my daily interaction, if you're my line manager, if my daily interaction is with you. How valued I am, how appreciated I am, whether I feel skilled to do my job. So if you are skilful at that and getting the best out of me, then probably HR have done 90 per cent of their job.

B And I think actually back to the Ulrich thing what he was inviting us to do, I think was more of that. And that the HR person would be in your wings, if you like, more than mine. So I'm not sure. It think getting the transactional stuff right and accurate and predictable and consistent is absolutely critical.

B And we haven't got there yet. But I think there are maybe technological solutions to that, that don't require us just to back to everything being done by the HR person. But I think what does have to happen, is the employees somehow come back on to the radar.

I think that in some organisations, for sure, HR have kind of lost sight of the employees in all aspect.

And even bringing it back, if this is my experience of the organisation and I am lost sight of, right up here, even if this is a non-unionised, highly individualised organisation, I'm going to leave.

So actually now we have got us, you know, a reputational risk. We have got an employment brand issue. Well that's strategic HR stuff.

If what we're saying is my daily experience of my working life in some organisation okay, is via my line manager. More of the economy is kind of people-scented and kind of human capital and non-manufacturing, okay?

Then I need a manager who is skilful in managing the people bid. And interestingly so a lot of our woks at Roffey Park's focus if you like, is the human aspects of organisational performance. So for instance the last few days what I was doing in Budapest. There is a leadership program for the IT heads of an international bank.

And a lot of the work we are doing with them was around emotional intelligence.

There wasn't an HR person in the room. Well there was, there was, she sat at the back just, you know, making sure everything was working okay. So, I need a skilful people manager. I don't just need a technical expert leading me. Does that mean HR is invisible? Not necessarily. But I, equally I don't think I should kind of separate it or I only got to my manager for technical stuff .

And if my manager, you know, treats me like a machine rather than human being, I now go and complain to HR.

So I don't think you'd have an invisible HR, but I think yes, we do now expect more people skills from the line manager.

I So the line manager is the crucial part in this entire piece.

B Yeah. Yeah.

Yeah, to do, what was now being required of them. I think at, you know, an individual employee level that would help, you know, an enormous amount. So what are we saying? I think the model and I'm not sure why I'm summarising, but the model I don't think is about model. If you, you know, the old adage of structure follows strategy, right? So what was our intended purpose? If our intended purpose and strategy is better enabling an organisation to achieve its objectives through its people, is there a way we might organise ourselves differently that would help. Now comes the Ulrich model, okay? It's in answer to the second question.

Yeah. As we've said, some organisations have started there and it has not helped. If you get that absolutely, you know, if you get that working well, it's not a fault with the model, it's a fault with the implementation of it.

So if now we really do invest in managers' capacity to manage their people, if we now really do capitalise on the possibility for HR to be contributing to more of these kind of conversations, then we have achieved what Ulrich was inviting us to achieve.

I We are running for this for several years by now.

B Yeah. ((laughing))

I And the gears do not work properly in fact.

B No. No.

I And this for several years by now.

B Yeah.

I What needs to be done in order to make it work, the gears? And why is it not done?

B I don't think there is one simple answer.

B And it's interesting, you know? Because maybe part of the problem is just in that metaphor.

B You know? All of us are very comfortable with kind of mechanistic models of organisations. Right? And even, you know, look ((laughing)) (it up?), yeah, the gears are on the front cover of our report and it's taken us probably until the last ten years to really understand the implications of organisations not being machines.

B You know? That organisations are, well you know, a system is there (...?) to talk about complex adaptive systems, but even that, I don't think that was far enough. Because it still doesn't fully take account of these independent autonomous kind of little decision-making individuals in it, who are like, you know, this person may leave.

B So why has it not helped? It think there is a host of things and we have talked about some of them organisations simply to approach it mechanistically and we are just going to implement this and then nothing changes.

B Self-interest.

B You know, the stuff we have talked about not investing in a model. I mean the, you know, it's interesting, we ask, you know, you ask, why has it not changed and five years ago, when we were asking the same question, the same kind of answers were there.

B So why are organisa-, what is stopping organisations doing it? And it can't just be one simple thing.

B You know, and what would be interesting was, if you are able and you may well be doing, if you were talking to the organisations where they would say this has worked really well, what has changed. There is somebody we know, who, he is the HR director for one of the NHS trusts on the south coast and he is a very outspoken and provocative HR leader. And he has no time for business partnering at all. And one of the things he would say, it's not about partnering the business, you are in the business. And I guess he would kind of challenge us to change the mind-set even further still. And even that

is not the only answer, you know? There is all sorts of ... I think there (are?) obstacles in organisations, you know, histories and cultures and systems and ... I can't give one single answer, because I don't think there is one and I think we fool ourselves to pretend there is. And I'm ... A bit like the organisation I was talking to before we spoke, it worries me that they imagine there is one kind of sheep dip, you know that expression?

B You know, when the farmer puts the sheep through ... Like we are going to put all their people into this big tank and they go in green and they are going to come out blue.

B It worries me that organisations approach doing what they are trying to do in that kind of way. So what would bring about the change? (...?) So, yeah, I'm just trying to think, if I was an HR director rather than doing what I was doing and I was trying to make a success of this, what would I be doing?

B And actually maybe I'm repeating myself, but I think I'd be wanting for the HR function, I think I'd be wanted to build their capacity and appreciating where all their professional stuff really could make a difference for the business. So maybe some of this stuff. I think I'd be wanting to invest in making the line managers as skilful with their people as it was possible to be. Including developing their capacity to take responsibility with that. And wanting to make sure those line managers felt confident to do that without needing handholding.

B And I think I'd be wanting to invest as much as possible in, you know, yeah, the technological bid, the system's bid that would do transactional well. And I think also it's interesting, the organisations that link their HR effectiveness to the kind of the business effectiveness. So they are saying, they are measuring the success of the people (piece?).

B By the businesses measures, rather than HR's measures.

B And again, as I'm saying that, I'm thinking of a few organisations who do that well. Yeah, again, sorry, long answer to a short question.

I No. No (...?) that's the best thing that could happen in fact. ((laughing))

B ((laughing))

I In 2009 you developed here these implementation factors.

And would you say, that these implementation factors are still valid for today? Have they changed?

B No. I would say, they are the same. So you know, when I said about why and what ...

I yeah.

B ... and so on, select HR business partner for the right reasons, that's the why.

B Why are we doing this? And that's again (so?) before the model, what is the intended benefit for the organisation we are ultimately trying to achieve?

B I think that's still the same.

I (...?) for instance in Germany is that like companies like Vodafone or Eon, they just do it in order to have a call centre and you have some cheap (labour people?) ...

B Yeah. Yeah.

I ... there and they can answer those silly questions that someone is asking.

B yeah.

I And that's it. You don't need anything more.

B Yeah.

I So what is happening that they are just sourcing out classical thing ...

B Yeah.

I ... and then they just have a call centre and (there?) 1.000 (...?) people.

B Yeah. Yeah.

I And that's it. That's the new reason or to streamline business.

B Mhm. Mhm. And ... If your only goal was to save cost, tick. And if those outsourced services are accurate and consistent so the employees have a good experience of it and it's reliable, tick. Is that really adding value to the business? (Don't think so?). Do you know, the ... That's like saying, you know, for finance we have outsourced invoicing and purchasing.

B And therefore, you know, we now have a really superb strategic finance function. No. Yeah. So, the reason why ... And again, you know, so our data showed there were organisations that introduced it simply for cost saving reasons would be less likely to say it was working successfully. And showing role clarity for all players.

B Yes. Absolutely nothing changed in this (call?) and I could ... Well, here we go, (those?) (...?) and without naming the organisation. So this was the report from the tutors who delivered this program. Their observations of the participants' challenges, no one (...?) delivering the business partner role, lack of understanding of the new HR infrastructure. We don't even know who works in and this is the service centre.

B Lack of business (by?) and to the role. It still seems not to being communicated well at a sense that the managers will need educating in both, what they need to do and to be able to do it and to navigate their way around the system. That was an hour ago.

I Great.

B And this was five years ago. So, no, it's ... So you've got the HR people not clear about what their role is and the HR people nervous that the managers they are working with, also haven't a clue what their role is.

B So that's not changed.

B And develop line manager readiness? Yeah. Clearly.

B It's not happened. The line managers they have said, aren't able to do what's expected of them.

- B So that has not changed. Develop HR readiness ... Well this organisation has put its people into this sheep dip, because they consider that to be what is going to enable their HR people to be ready. And where we're at is kind of between, is trying to help make sure it does enable them to be ready and it's not just a you are blue, you are green kind of approach.
- B So to answer your question, no, nothing has changed.
- I Okay.
- B I think they are as valued as they ever were. Yeah. Hm.
- I Okay. Do you want to add anything?
- B You know, I'm aware I might have presented a bit of a cynical picture. But I think ... Why have I done that? Because, you know, I guess we all notice where it's not working well. And I think there are examples of where it, you know, it's working really well. And I think it is where the organisations have invested in all the things we have talked about.
- B And, you know, and where this (and?) (quote?) strategic stuff is happening, because HR have got the business's interest first and foremost rather than oh I need to look like I'm being strategic so I get invited to the board.
- B So there are fantastic examples of where it's working well. And it's massively complex.
- B Massively complex. And, yeah, and it's interesting, you know, sorry the final thing, even on this where it, the reports of how HR are perceived, I think we need to keep in mind, that, you know, that's not numerical data, that is also a story.
- B Isn't it? So what's the legacy of our profession and how is it people like in organisations to talk about HR.
- B And all the jokes that go with HR. So you know, people who say HR stands for human remains.
- B You know, they just deal with it, you know, (in?) transformations. So, you know that ... We have got a challenge, we have got a reputational challenge, but I think where organisations, if they want to adopt this approach, invest in approaching it intelligently and paying attention to this kind of stuff that we know still applies, they can work.
- I Mhm. Yet I was a little bit surprised seeing that, it's on some page here, it's stating that metric and data analysis is a big issue for human resources.
- B Hm. Yeah, it's growing.
- I Okay. And what is meant by this? Is big data the (core?) process of big data or is it just ...
- B I don't know. Well, on the positive side, it think, so I think, I can think of one HR director who sometimes we invite to speak on our programs and she is excellent, very, very practical. And she has a very clear sense of what are the metrics by which we will know that the people stuff is contributing to what this organisation is all about.

- B And she has half a dozen really, really clear measures.
- B And is able to have, you know, as HR director conversations with her CEO about where this is going and what the difference is we are seeing. And he can see the impact on the organisation and what their strategy is. So, where it is about HR measuring the right things and by that I mean, you know, we have had an internally focussed set of measures that haven't automatically been aligned with what the business is about. So for instance, I don't know, if I am fixated on measuring turnover and trying to get turnover down and our business is something like Apple, okay, where the deal is, we don't want you to be here more than two or three years, are measuring the wrong thing. So the focus on metrics if it is about aligning what HR is delivering onto what matters for this particular business, really great, good idea.
- B We should be measuring the right things. Where it's not helpful is where HR are of the mind-set, the business will only respond to hard data, okay? So I must just go and get some. And I can think of HR professionals who again back to this, have just so detached themselves from the people, all I'm measuring is how fast these wheels turn.

**Interview at CIPD London,
March 21, 2014**

B: CIPD I: Interviewer, Andreas Lischka

I This is the Interview with Mrs. Vanessa Robinson, from CIPD London. This Interview I s taken on March 21, 2014.

I Mrs Robinson, thank you very much for the honour to have this interview with you.

B It's a pleasure.

I I recently had an interview at Roffey Park as they published their Management Agenda 2014.

B Really? That is interesting two member in my team are from there, they were participating in that survey and both think it's great. I mean they definitely like it as a sort of source of material.

I Definitely. It is most interesting and it's same form or enlightening like the 2007 research from CIPD change in roles.

B Yes that is true.

I Especially as the CIPD survey was one of the first ones to give remarks on the hype of all this business partnering and that put the things back down to earth, so to say. Looking at all materials that I found in the hall, when I was waiting, it seems all is becoming strategic, which means it is still a current topic.

B Oh, yes indeed.

I Could you, as a starting point, just describe a little about CIPD and what you are doing here at CIPD?

B I am Vanessa Robinson and I am head of the research that we do at CIPD and that's in specific what I look after is the research aimed for advancing practice. So there is a separate unit, a group of people that do work more aimed at influencing policy in government. Research in CIPD has always being prioritised as a member benefit. CIPD is the professional body for people working in HR and people management in the UK; with some growing international presence. We have got something like 135,000 members on the whole. So that, I guess, in a nutshell is what we do. We are in a lucky, privileged place as people working here where the research is valued. And are seen as sort of court who how we cannot value enough to advance the profession more generally.

- I For the preparation of this interview, I looked at the development of the Business Model. There is a big pile of terms that somehow conglomerate in the Business Partner Model. The first term is human resource information system, HRIS.
- B Yes indeed.
- I Then we find the E-HR idea moving to outsourcing, then we have service centres included as well.
- B Shared service centres, yes indeed.
- I All of these terms describe systems in whatever form, serving the idea of becoming more strategic. And for me, looking at all these systems and publications, terminology is somehow mixed. There is no clear diversification or clear segregation. It's just that everything is somehow put together, not in an order or analytical way systematically build up.
- B We don't know we were setting out to try and use terminology. I think the purpose of our research is to advance practice and probably doesn't get broken down necessarily in terminology or definitions. What we reflect on is more what organisations are telling us, what is going on their side.
- I Where do you see currently the situation with the other term with HR transformation? Where is Britain currently? I read several studies that major large companies 60, 70, 80 per cent have changed to the model with service centres and everything. How is the situation from your side? How do you value the situation?
- B I think what we have seen and we do see is: We did the last one year and a half ago sort of survey of people in HR and some of that is around how are they structured. People who do what they think is right for their particular HR function, are they calling it HR transformation? Maybe in some organisations. In others maybe they are not calling it that, but they may be changing themselves, but they are changing just because they need to keep up with where the world is going. So I think it's sort of the languages maybe moved on from or maybe the language is even driven by big consultancies who were offering sort of service. I don't know, but I don't always think that the language is necessarily reflecting what the practice is. And I think the practice and it came out a bit in the 2007 survey, but I think in conversation and what we have done since, that how people are trying to organise themselves is vary varied. Particularly if you look at our membership then there are those large organisations which might go down the sort of business part- or some variation of the business partner shared service centres of expertise type model. But actually a lot of our membership are not in that scale or size of organisation where they would look at all those different aspects. They are not big enough that they would have a big shared service or centres of expertise. It maybe got an HR function of five people.

I Yes.

B But the HR managers might now be business partners, does that mean they are doing something different as before? I think the languages and terms just got very confused and partly it's following, you know, what is helpful. Sometimes even the past of last resistance. Like: The consultant calls it "A", so they call it "A". If somebody is advertising for jobs, people are attracted to be a business partner. Does it mean that is the same as an HR manager? In some organisations it might be and they have simply changed the language whereas in others actually they have moved to a very different position.

In my opinion I think you have to sort get a bit underneath some of the terminology to actually understand what organisations are doing and that is very dependent on this sort of context, size, scale of operation. And to a certain extent I think possibly as well what we have seen in some situation is that where organisations are looking at shared services, outsourcing, insourcing, doesn't matter, but sort of going to a big scale, it's not been driven by HR, it's been driven by finance or procurement or some other big area. But HR can get thrown into the package as part of looking at it from Finance or Procurement or becomes a sort of a final part and that's again possible when the language starts to get used. Because language is used for transforming the procurement. And so the same languages apply to HR but actually it probably wouldn't have been applied if you just had been looking at HR sort of on its own.

So HR is to a large extent transformed in a large process and to our experience one of the last areas being restructured or –if you want- transformed.

Moreover I think on that you are on the shared service side, the drivers for that again play out a bit differently. It is part of the big package "transforming", a lot of shared service activities versus actually about making HR more strategic. I just think it's a lot more complicated than just to say it, what's happening around HR transformation.

I If we stick to that term transformation would you say then that this process is initiated from human resources or that it HR is just a part of an all over process which is called restructuring or whatever term is used.

B A bit of both; yet HR is to a large extent transformed always in a larger process and to our experience one of the last areas being restructured or –if you want- transformed. I believe a lot of HR functions have looked at themselves and thought that they need to redefine how they contribute to the business. That is why they wanted to reorganise, restructure themselves in achievement to that. Others have, like my example, if this being a sort of shared service, cost effectiveness driven approach quite possibly initiated somewhere else in finance, procurement, IT or wherever it might be. But a package solution has included an HR element of that then it wouldn't have been

necessarily initiated by HR, it would have been initiated by somebody looking more broadly at organisation's cost efficiencies.

I To what extent then do you see the driver "cost effectiveness" versus the "strategic thought"? Is it more likely that it is cost driven or is it to make human resources or the company a better place?

B There will be two different stands on that. For some organisations who are looking at their service provision generally they might well be going on the cost driver, especially bigger companies, but that's not looking at anything other than taking the transactional activities of HR and streamlining them. This would take cost out. But that wouldn't be a complete HR transformation but that would be a reason for looking at shared services. But most organisations would probably be looking at how HR adds value whether that's then through structural change or a transformation or through the individual activities it does.

I In the publications here in my hand about outsourcing as well as HR and technology the cost saving was just simply realised by laying off people in human resources.

B Not necessarily. Actually I think you are taking that very much out of context.

I Indeed I want to acuminate this.

B Because actually have I got facts and figures and they are saying the opposite. It is always said that companies have made people redundant or something, but no, because actually lot of times it's taking staff into outsourcing arrangements. So I think it's not just about taking people out. I think it is more about streamlining services.

B Actually Technology is advancing. Technology can do a lot of things that before needed people to do, data and putting in things like that. So that is a reality of the changing nature of the world. I don't think it's, just about taking out cost. I think it's about trying to put in better, more effective processes. There is a lot of new development, which is around actually, a real streamlining in your saying that HR shouldn't be doing things that would be the line manager's responsibilities. That could mean you need five more line managers, because you are giving them more tasks to do. So is to say, I think just going down and straight taking people out is probably over simplistic.

I You just said that HR should become more strategic or add value. Looking at all these publications here, especially on the Roffey Park one, everyone tries to become more strategic and it's still a topic and the goal is still not reached after nearly 20 years of consultancy Business partner Modelling and ongoing transformation.

B Yeah, that's is right, confusing and disappointing. It is another term of those ones that is probably overused.

I Definitely.

- B Overused terminology. But how can what HR does, what the HR function does, how can it mean that the contribution of people or maximise it if you like to the organisation? If you look around you, how many cultures are toxic, how many banks are in problems, how much do you, you know, read about problems in society, trust, culture, ethics. Those are no HR issues to solve.
- But they are fundamentally people soft issues and so HR potentially can take an important facilitating, leading role in that. Whether it's around leadership development, whether it's around making sure processes are in place making sure that people are assessed and developed and promoted on behaviours not just on outputs.
- Is that called strategic HR? Not necessarily. But it is making sense, with this HR is really adding value and actually helping to get to healthy organisations or sustainably healthy organisations, hopefully.
- B So to say, the language might not necessarily help, because it doesn't define what is strategic, what is adding value. But if you get to in a sort of an example of the types of things that HR could play a role in and if it's thinking differently. But to do that, needs HR people having the space and the capacity to be able to get involved. So some of that activity goes to the line manager. And then potentially, HR is able to step back in a sort of look at how things fit together, yet potentially. It's all over simplistic, because in organisations there are sort of multidimensions to this.
- I In the beginning of this Ulrich model, in the first articles that you can find, strategic human resources were always human resources minus administrative, repetitive work, and the outcome has to be the strategic one, whatever it is, it has to be strategic one.
- B Oh yes, a very simplistic calculation.
- I That was indeed a very simplistic approach at that point of time. But if you are looking at human resources currently now: Is HR repairing mis-developments, like lacking trust or the erosion of the "employee-employer-contract" as Ulrich states?
- B Not necessarily. That might be how it's playing out now. We have done some research over the last two years on trust and trust repair where we did think we were starting out going to examine in times of big economic problems, what are organisations doing to rebuild trust and what is HR doing?
- But actually quite a few of the better examples in that report had not suffered from any declines in levels of trust, because they actually had been doing good things. Anyway, so we don't think it is just sorting out the problems. It's actually having things in place that mean if problems arise, there is almost, in this example we called it a trust fund. But you know, there is this sort bank of good will or there is sort of enough good things in the system that you don't necessarily have to get to the place where people are running around trying to correct bad things.

So it can be to correct bad things. Those are often examples called out, but I think, there is lots of going on there is preventing the bad things as well.

I How can human resources people become more strategic?

B I think this is a quite interesting question. I don't know where to start on this. As a professional body, CIPD is looking at both, the sort of qualifications, curriculum entry points and then sort of developing people through their careers.

I think HR needs to really understand the business. And I'm sure that doesn't happen in many many cases. And again, it goes back to actually I guess what does strategic HR means. But if we avoid that, how can HR best help the organisation. Well actually it's understanding the business, the actual business. The industry, the sector, what the value drivers are, what are the paying points, what is the core business. So be able to have sort of, if you like, business related conversations.

B Understanding that if you are going into new markets or understanding if and where the business is necessarily going and then being able to support with. Actually if you are trying to open up in China you would need people, but you won't be able to get people, because actually you would have to get experts, and so on. So understanding how the people agenda sort of maps to the business agenda. But also having a wider contextual experience, in other words a wider contextual understanding of what is happening with the demographics, what is happening in some of the lack of work ready young people. To answer the question how can employers, how does the system, if you like, within which all organisations operate, play out and what are the implications for that in terms of the people agenda.

B Another example: age diverse work forces.

Four generation sort of working at the same time. What are the implications of that for a work force? Do workers embrace that? Do they not? What happens if you got a younger person managing an older person? Have people being trained for that? Do they, is that something that you can leverage to you advantage versus actually that it's going to cause tensions and perceptions of lack of fairness by certain groups. Again, it's very clearly sort of people agenda not probably traditional (core?) HR transactional type activity. But very core to the people agenda. But that is going to play out in the wider context of demographics and people working longer. So actually that is something that HR people it should be on their radar.

B Those sorts of issues. Then so you have got that wider context. You sort of got a real deep understanding of the business and then I think there is a bit around.

Well two things, I think I mean we have been calling out a lot of the CIPD that they need to not shy away from actually measuring the contribution and really understanding the impact of some other things you perhaps can't put measures on easily. It just helps

to talk the language of the business, it helps actually to understand why some decisions might be made or not.

B And I think the fourth thing and this plays out. In a certain specialisms for others, but for instance it's lots of both, words are going around at the moment, things like neural science and what we know now about the brain and how the brain works which has got huge implications for how people learn, how people are motivated or people in HR and senior HR roles are trying to make this sort of strategic contribution: are they up to date with actually the sort of the scientific or the developments that are going on? That has implications for the profession. So it's again this sort of curiosity about where learning might be going or where developments might be going and how they might relate to sort of HR agenda or a people agenda.

B So I think those would all be examples of things that would help HR to be able to contribute and be seen to contribute to a sort of business agenda and actually again help the organisation I guess sort of in a sustainable way.

I What prevents them to be strategic? As a reference in the Management Agenda 2014, by Roffey Park, HR Managers state they are not strategic. If you, just in your mind, put away HR Manager and replace it by "I". Then it is not someone in space but "I am not strategic; I am doing unimportant things" and so on.

B Yeah.

I When I read, HR people are saying that they are too reactive, this means, that he or she is too reactive. Is there a lack in curiosity?

B I think there is a big lack. And you are right, because we have done some research recently looking at replacing HR with line managers, so actually it is not HR, it is the people.

B There is stress on the system that actually makes them reactive, un-strategic. I wouldn't take that as necessarily more than actually this sort of lack of resources. I don't think that's because it's not a necessarily skill or ability to be more strategic. There is not enough hours in a day and somehow resources or processes or structures are clarified enough to enable people to necessarily have the head space to not be reactive.

I If then resources are missing, though HR is ought to be "liberated from routine work" then so to say cat bites into its own tail, because to my understanding then the system prevents human resources to add value to the system.

B Yes, absolutely. But I think, you know, that in bad economic times people are coming out of difficult situations. So I think this survey here and it's the same in our line manager survey, I think people are sort of trying to get to back into sustainable growth mode but actually they have been in position where jobs are being frozen or cut. So actually it is a case of trying to do more with the less and that can lead to that sort of short-termism

and reacting to what's the next thing someone is seeing an opportunity, quick, we need to jump and react to it, because it's sort of stage of growth cycle that we are in. And now if there is sort of a bit more sustained growth, you might get some more resources in and hopefully get out that cycle a bit.

I From my own experience, when I was for working for a producing chemical company we implemented a social management offering some support to these people who were over-debt and so on. It's just from my understanding to a certain degree that you just do things in order to serve those that you should serve.

I Seeing this and having the role of an employee champion, whom is HR really serving? Is it the business or is the people or is it people for the business or the business via the people? What do you think?

B Who is it serving? I believe you can play this out a game with your line managers more generally. They are part of the organisation or are they supporting the employees and I personally don't know. I think it's a bit of both. I don't think it's one or the other. I think it is at a sort of tension that HR people have to wear and it might play out in a different individual roles.

B So people that are involved in some of the support programs that you are talking of are possibly much closer to people and are supporting them, because that is their role to do that. Whereas others maybe are thinking about policy decisions. So are bit removed from it. But I think the function as a whole is doing both.

And that needs to be that sort of a HR role, really.

B HR doesn't need to sort of have a stewardship, guardianship role looking, in the sense of looking after the people. But it's not all just sort of handkerchief some tears and sort of support groups. And actually pretty quickly that wouldn't work, because the employees would see that HR didn't have any say in the business and I don't think in most organisations now HR is, you know, fighting for the people and again it's the management. So I just think it's both roles.

I Speaking of line managers who take over a very important role nowadays and more and more, to a certain degree they feel just left alone. Was there from you experience some form of training or some form of presentation that they now take over certain things from human resources?

B I think this is quite an interesting one. And again it does play out differently I think in different organisations, but I think what we see is some organisations have for much longer period of time had line managers managing the people.

B Because that is what they manage, they are the managers and that includes all aspects of people management. And that has always been the way. I think where attention and possibly where the training and the education is needed is when there has been a move

from HR people doing that role to not doing it. If that change happens, I don't think you can underestimate the amount of extra support that the line managers need.

B To fill a vacuum if you like. If HR steps away, the managers need to have the appropriate capability to do their people management bits of their role. Having said that is was well.

I think, people take HR not talking about HR, we are talking about line managers. What we are seeing is that as people move into line management roles, we know that people can get promoted to manage more people based on their technical ability not to do with their people management ability. So people when they first have to manage people need to have the capability or the training and support to do that.

B And so I think there is a sort of key element of needing to make sure that Managers with people management responsibilities are given sort of support training and time. I think this is some of these thing as well about you know actually sort of lack of resources of short termism, but they are actually again applying just to the line managers. Line managers have to see the people management element as a part of their job and you know ideally but it doesn't sort of work like in practice, but they do prioritise it and give time to it. We have seen in surveys of line managers that quite a lot of employees say they don't have regular catch ups with their manager for instance. And you the managers say, well, of course you do have. That's line manager practice.

B So there is no management going on. Should HR be doing that? No, why would an HR person manage a resource? You wouldn't do that in the production, you know, in any way you would have a supervisor or a manager sort of doing that management stuff. But if they are not being motivated, given capacity, capability, to sort of develop and do that stuff, then it is putting them in a bad position. That's where HR can support by making sure there is the appropriate sort of intervention, support, training, guidance to managers as they take on new roles. So that they can do their job properly.

I If we think this to an end stating 'okay we do not have time for this', then the employee is left alone with certain problems as he has no counterpart to talk to. The other chance is to take the telephone in order to speak to the service centre; or by chance to talk to a business partner who is not meant to take care of the employee but to support the line manager. So what to do? This means that the guy should go to the worker's council or where to; where is the employee champion?

B I guess it plays out differently on the size of the organisation as well. Because it's sort of probably there are some assumption in this that you are talking about an organisation of quite a large size and complexity. There could be anyone of those different options: drop us an email, got a problem press the yellow star button for help. But actually what

sort of problems? I didn't get paid, my pay was wrong, you didn't include my overtime versus I'm being stressed, I'm being bullied. So yes it's sort of different questions and those might play out quite differently as to who might be a person an employee went to. You wouldn't go down any of these routes, if it was as sort of slightly more personal issue or something you might actually just got to a colleague.

B But I guess it's actually just having some clear guidance in place that there are support systems and there are various options that somebody could go to for support whether it's the pick up the phone, press your yellow star help button on your computer, whether it's a confidential sort of support line run by somebody totally external from the organisation because you have got debts and you don't anybody at work to know. Or it could be through some sort of formal work council or employee support group. You know, we have got at CIPD we call it sounding board but it is very early stage.

B Would somebody say if you got this issue, you need to take it through that group? Not necessarily, but to a certain extent people are adults and I guess they can work out the extent of the problem and what the choices are. But it think it's being quite communicating well what the various channels are. And those are sort of options for people. Including the conversation with colleagues, line manager not necessarily, you know, HR as sort of only port of call on some of the issues.

I So a slogan could be: enabled by HR; not: driven by HR

B Perhaps not in this absolute definition, but heading for it, yes.

I I'm just thinking of the company next to ours, a very, very big pharmaceutical company in Germany and line managers do not know even their business partner nor do they have contact and the line managers do feel that there is hardly anyone and that they are asked to get to the phone as well. So there is not even any form of support at least currently. And in reality it turns out that really nothing is happening at all, creating a big feeling of uncertainty.

B I'm sure for sort of that's the reality for that organisation is not saying the HR system and structure is wrong, but I think it's obviously not being applied in a way that it is working in that context. So it's hard to say without looking at the individual organisations, the structure could be right, but this happens to be one individual that is not capable.

B These things pull the whole structure down or it could be that fundamentally the structure hasn't been aligned effectively for that context.

I Would say that if you separate large companies, small and medium (-sized?) enterprises that HR really has become a value driver?

B Two and a half years ago we run two surveys. One was the views of our profession. So we asked HR people about just their views of HR and it was from, how big their organisation was, how many in HR through to what they saw as the challenges in the future. We also asked this of the senior decision makers in HR and non-HR senior decision makers. So we could compare and contrast their views. And we repeated just senior survey again last Christmas. So we sort of, but well, the results came out last Christmas and, no, I'm lying, they came out this last November so it's less, it's more recent than that was. And what we see there is that HR has a lot higher view of its strategic contribution and its non-HR colleagues and fairly consistently with the findings that came out the previous year actually. But interestingly they were very aligned on what they both saw is the strategic priorities for the organisation. They were very aligned on, the priorities both, for today and for three years' time. They were quite aligned on what the kept them awake at night. So the types of issues that they were worrying about fairly would they say, would you say strategic, not strategic, but they were the big picture stuff, you know? Economic downturn, doing more with less, worrying about leadership capability of the future. So it was sort of sensible stuff. But it looks like sort of HR's contribution to addressing these, is when you started to get this big mismatch and in particular what has come out is the non-HR leaders, quite high numbers of them had no idea of HR strategic contribution or not.

So they had no opinion whether HR was doing a good job or not.

B With survey data so you can't always get underneath it, you could be actually eluding HR are doing a great job, but because they are doing all behind the scenes and propping things up are not taking any credit for it. Nobody can identify HR did that.

B That was a strategic contribution. But stuff is getting done and then suddenly when you ask these non-HR people they are going, HR? Did HR do that? I don't know. I don't know. I'm sort of exaggerating a bit to make a point. But the survey findings they are quite interesting. And you know they do reveal this tension, which I think, you know, we have is a minimum, would suggest that HR needs to raise its visibility.

B And stick its head above the ground a bit on some issues if it really cares about them. Not just best scenario that it is doing this stuff, but doing it behind the scenes. But HR people do think they are they are making a strategic contribution on a number of things or a contribution to the business agenda to get, you know, the people aspects of the business agenda.

B I think that sort of one area where they think if anything they wouldn't admit they are less good at is around the whole sort of metrics and measurement agenda, there seems

to be a sort of level of self-awareness, yeah we know it's important, but no we are not so good at it. Because we have the same situation in several studies as well that self-estimation of human resources department is, yes, we are contributing strategically, we are adding a lot value to everything and the other side is saying, who?

I That's quite interesting and I just ask myself how can they just make themselves more visible? And it's not simply that they having a seat at the Board, now they are sitting there and they are quite.

B Yeah. Or they are not there. But you know what? It doesn't matter. Because they have had the conversation before and they spoke to the finance director and they have told the finance director, hey, you have to get this right, you have to say we need to invest more in leaders and you have to get extra headcount for leadership, because our leadership capability is really letting this organisation down. And then it's the finance director's voice, but it's because he has had the conversation with the HR person. So yeah, it's hard to get under the surface of actually.

I think what we would say now is less important that HR is on the board, has a seat on the board, but it's the right agendas are being discussed by the right people, the right informed people on those board conversations, which would include the people agenda stuff.

B So whether it's having the leaders got the right capability, have they got succession planning, is the culture right, how come we have got this horrible lack of trust in sort of senior leaders. If somebody can have that intelligent conversation with our without the HR director actually being at the table, then less of an issue is to whether HR is sitting there or not. But as you said, sitting there and not saying anything.

I What kind of criteria would you say are essential in order to make such a new strategic value adding human resources department successful?

B The chief executive doesn't necessarily have to be him, but the non-HR senior team need to also realise that the people agenda is important. So I think the system will only work if all the players are sort of working to the same system. So there is no point saying or there is no point HR reorganising itself and being like super able to contribute, if the organisation is not hearing it. And you know, really not hearing it and you can persuade and you can try to influence, but there must come a point where you sort of go actually there is no more you can do. So the system has got to be open I guess to receive a strategic contribution. And that I think would be really one of the key things here that I guess the sort of the top team need to realise that sort of people agenda is absolutely key and sort of continue to be totally important. And that's why the things like this sort of metrics the understanding it through a sort of business commercial

numbers can be quite helpful, because that is talking than a language that some of the other people around this top tables do get.

I So we are adapting HR to the language of the table. have figures for you now, whatever figures there are, they are then essential in fact.

B Somebody gave the example and I can't remember who this was, some sales person put up some figures for you know like global expansion and we are going to open in ten new countries and we need to source these people. And you know the HR director went to him saying you are trying to put in place, you are opening in ten new areas with technical expertise, what you don't realise is, is that those countries don't have people, professionals in those areas. So you would have to use experts to fill that and then ... And therefore you would be having to make x million just to cover your people costs. And you are trying to do that a rate of growth of something like a 1,000 per cent and so, you know, you are needing to get all of those people in tomorrow so then you be paying a premium for them and so on. But, because they can translate the time to hire, the type of hire the markets that they were operating into sort of hard numbers. And so could very quickly say actually you couldn't go into that sort of growth expansion mode from a people capacity point of view, because there was just no people with those skills that would be readily able to go to new markets and would be talking the language that would make sense.

I Looking at for instance the idea of outsourcing or technology, where are we heading for in human resources? Is outsourcing still a very big topic?

B It's still, yeah, I mean it's still. It's quite interesting. We are from a research perspective, it's not that exciting as a new topic. Because it's not that new. I think organisations are still using outsourcing. I think probably they are being smarter about what they outsource. HR outsourcing, but say the use of external suppliers or consultants or recruitment using recruitment agencies so in sort of smaller scales, I think there is some interesting developments there playing out through, because it's as sort of technology advancement so you sort of social media you are actually hiring through social channels rather through technology channels. It is changing the dynamic there of that specific part of HR. Other aspects of technology are enabling companies to do things a lot smarter, where the companies think they have the capability to do that themselves or whether they want to rely on a third party supplier. But whether that third party supplier is just to provide the IT or whether it's to provide the outsourcing solution, I think there is sort of more than one model. People are still outsourcing. It definitely is still being used by some people. But I think even we were there nine years ago.

B I think it was probably in a first sort of phase of big enthusiasm even the first phase then, but there was a lots going on, there were lots of tenure contracts. And so it was

sort of on a scale both in side of the amounts being outsourced but also the time periods. That was a bit new and a bit different. So there were things that people were wanting to learn from that and think about what does this mean. And I think now that sort of market is more mature. But people are using it. But I'm thinking that the organisations on the whole are probably like smarter buyers. And yeah, just thinking a bit more about what they really need and whether it is outsourcing, whether it's supply, whether is shared services themselves and again that depends on their scale of operation as well.

I How do you do it here at CIPD? Do you use for instance social media?

B Yes. A little bit. Well I guess we do. We use social media for recruitment. So we are using social channels for our recruitment and we have been recruiting quite a lot. So that's being a useful channel. We use it a bit internally for internal communication. But we are a pretty small organisation all based in one site in Wimbledon. I might say this, because I don't use it so much, but I think the tipping point isn't quite so urgent when you are a small group of people sitting on three floors in the same building.

Then it would be if you are operating of multiple sites or with a different sort of volume of people. But what we do use social media a lot more for is our sort of external voice, our brand, our outreach to our members and to sort of customer channels.

So that side where we have been a lot more sort of active on. But I think from this sort of people, internal coms, engagement voice less so. But we are doing bits and bobs around. Some people would say we have been doing it forever but it has never really been adopted by the majority. I think it's probably where it's at.

I Mrs. Robinson, do you have any questions or points you want to address ?

B No, thank you. I do hope it was helpful.

I Yes definitely, I thank you again for your time and wish to participate.

B A pleasure thank you. All the best.

INTERVIEW with HR blue

Munich, 15. April 2014

B: HR blue I: Andreas Lischka

I Frau Gorges, herzlichen Dank für die Gelegenheit, mit Ihnen dieses Interview zu führen. Vielleicht könnten Sie zu Anfang HRblue vorstellen, darstellen was Sie im Bereich Transformation machen?

B Ja, kann ich gerne machen. Uns gibt's ja seit dem Jahr 2000 und wir beschäftigen uns, würde mal sagen, ja so seit 2005, 2006 verstärkt mit den Themen HR-Transformation und haben auch die ein oder andere größere HR-Transformation durchgeführt. Wir sind auch viel im Mittelstand unterwegs, wo oft auch so kritische Massen fehlen, für ein ausgebautes Shared Service Center? Wo die Frage ist, wie simuliert man das dann eigentlich, dieses Bein? Wenn man jetzt ein High Business Partner Modell einführen möchte und ich habe mich selbst auch sehr strategisch aufgestellt zu dem Thema, im Sinne von, ja die Struktur muss wirklich auch der Strategie folgen und dem Unternehmenszielen folgen, das heißt, ich bin mal grundsätzlich eher skeptisch, wenn so ein Modell kommt, was dann auf alle passen soll und wir haben auch unsere Kunden immer ermutigt, sich davon inspirieren zu lassen und wenn es denn passt, kann man das dann auch einführen, aber dann bitte mit allen Regeln der Kunst, weil das ganze Modell funktioniert nur, wenn es genauso eingeführt ist, wie geplant, weil wenn man davon abweicht, ist man eigentlich in einem anderen Modell und muss das dann auch zu Ende denken.

Oder aber auch ganz andere Modelle, je nach dem, welche Anforderungen ich im Bereich Personal habe, können auch ganz andere Modelle, auch ein klassisches, reines Administrationsmodell auch funktionieren, wenn das Geschäft keine anderen Anforderungen hat oder noch keine anderen Anforderungen hat. Das heißt also wir sind eine Beratung, die mit dem individuellen Ansatz reingeht, nach Kundenbedarf und wir haben dann im Hintergrund halt mehrere Modelle und das Drei-Box-Modell von Dave Ulrich ist eins davon.

I Was hat das Modell in Deutschland erfolgreich gemacht?

B Was sicher dem Modell zugespielt hat in Deutschland, da bin ich mir ziemlich sicher, ist, dass die Anforderungen an den Bereich Human Resources gestiegen sind hinsichtlich strategischer Kompetenz, hinsichtlich Beratungskompetenz und so weiter. Ob jetzt Dave Ulrich Modell, ob es das jetzt gäbe oder nicht, diese Anforderungen sind

gestiegen und ich glaube, dass es nicht nur jetzt die Publikation war des Modells sondern gleichzeitig auch die Antwort oder die vermeintliche Antwort auf eine Frage, mit der sich viele HR-Chefs auseinander setzen müssten. Und da sah das eben aus, als würde das, wenn man das Modell einführt die Anforderungen nach strategischen und Richtung beratungsgehenden Anforderungen erfüllen.

Was natürlich so nicht ist, wie wir beide wissen.

Das heißt, wir sind auch gerade dabei ein Projekt aufzusetzen, was eigentlich nichts anderes macht, als ein Business Partner Modell zu reparieren, es heißt ja dann gar nicht mehr Drei-Box-Modell, sondern inzwischen heißt es Business Partner Modell. Es wird auch teilweise total solo eingeführt der Business Partner, was an sich ja gar nicht möglich ist, logisch vom Konzept her. Und man sich jetzt wundert, dass es nicht funktioniert. Die haben wirklich nur den ehemaligen Personalreferenten oder sogar Spezialisten umbenannt, die heißen jetzt alle Business Partner.

I Neue Karte, fertig.

B Ja, ich weiß gar nicht ob die überhaupt ne Karte haben, aber egal, auf jeden Fall heißen die jetzt so und sind jetzt seit einem halben Jahr tätig, fühlen sich auch sehr wohl mit dem Titel und so weiter, aber irgendwie haben sie das Gefühl, sie kriegen jetzt Probleme mit ihrer Kapazität.

Wenn die beiden jetzt nah am Kunden sein wollen und dann viele Gespräche führen und Beratung leisten müssen besteht schlicht Trainingsbedarf, weil sie eben keine Beratungskompetenz besitzen. So etwas ist mehrfach schon vorgekommen in den letzten Jahren. Wir gehen dann dort hinein und schauen, was ist denn gemacht worden und in dem Fall jetzt ist es tatsächlich nur ein anderes Label auf der gleichen Rolle.

I Sie unterstützen also nicht nur die Implementierung von Beginn an, sondern bieten auch Dienste als, salopp gesagt, Reparaturdienstleister an.

B Absolut richtig.

I Wenn Sie noch mal auf die Jahre zurückschauen in denen Sie in diesem Gebiet tätig sind, in den frühen Zweitausender-Jahren, wie ist die Entwicklung in diesem Bereich? Hat der Trend nachgelassen oder ist das Thema nach wie vor noch ein aktuelles, wo immer regelmäßig noch Anfragen kommen oder ebbt alles ab?

B Also es, ich nehme das so war: es gibt zwei Ebenen.

Die eine Ebene ist, was passiert in den Unternehmen und die andere ist, was passiert in der Fachliteratur?

In der Fachliteratur oder auf Vorträgen oder wenn Sie sich mit Leuten unterhalten, die auf einer Metaebene über so ein Thema sprechen, da ist im Moment das Thema, gibt's ein Leben nach Dave Ulrich? Darüber reden jetzt grad alle und warum sitzen wir immer noch nicht am Tisch und so weiter und so fort. Also das Thema ist eigentlich, wie es weitergehen soll? Und die meisten Unternehmen, die sehr früh damit angefangen haben, da stimme ich Ihnen auch vollkommen zu, in der Regel Konzernunternehmen, die auch auf Grund der verschärften Einführung von Business Matrix Organisationen sich sowieso neu aufstellen mussten. Kostendruck und dann Kräfte bündeln und da hat eben dieses Drei-Box-Modell meistens ist es als Vier- oder Fünf-Box-Modell umgesetzt worden, weil es doch immer noch irgendwo eine lokale HR-Organisation natürlich gab. Also die sind durch und auf der anderen Seite wird jetzt einfach redesigned und weiterentwickelt und so weiter und so fort.

Ich habe jetzt auch schon größere Unternehmen gesehen, die sind eigentlich soweit wieder wie vorher, es schaut ähnlich aus, wie das, was sie vor zehn Jahren hatten, die Organisationen, nur dass sie jetzt ein Shared Service Center haben und dass die Personalreferenten oder Personalleiter jetzt Business Partner heißen. Die hießen vorher Senior Personalreferent oder HR-Manager oder Personalleitung oder Werkspersonalleitung oder was auch immer. Und dass sie natürlich in der Matrix jetzt aufgestellt sind.

Also das funktioniert glaub ich auch in vielen Unternehmen ganz gut, wenn sie denn die richtigen Leute haben, also das ist so eine ganz wichtige Kernkompetenz, die da entstanden ist, sei es jetzt beim Business Partner, beim dezidiert so beschriebenen Business Partner oder bei der Personalleitung. Wir merken es bei der Besetzung von HR-Positionen, die wir ja im Großteil unseres Geschäfts auch durchführen, dass eine der wichtigsten Anforderungen ist, dass sich jemand selbstständig in einer komplexen Matrix-Organisation international bewegen kann. Und das ist nun mal nicht die Realität heute bei den größeren Unternehmen oder bei den Unternehmen, die internationales Business haben, so dass sie eben den Bereich Human Resources auch entsprechend aufstellen müssen. Ich glaube wo sich im Moment viel tut zu dem Thema und wo ich hoffe, dass möglichst viel aus den Fehlern der anderen gelernt wird, ist im mittelständigen Bereich. Mittelstand zieht ja immer so ein paar Jahre später nach und da sind doch einige Mittelständler, die jetzt irgendwie so ein Business Partner Modell Leitbild einführen oder prüfen, ob das für sie passt oder was sie eigentlich machen können. Auch der Mittelstand hat sehr stark internationalisiert, steht sehr stark im Arbeitgeberwettbewerb, wo man dann sagt, gut, wie stellen wir uns eigentlich auf und dann orientiert man sich ja dann auch so an den allgemeinen Modellen? Also da hab

ich den Eindruck, dass da viele auch Ersttäter im Moment da sind. Im Jahr 2012 haben wir bei 30 sehr großen Unternehmen nachgefragt, ob sie ihre Organisation verändert haben und da haben 90 Prozent ja gesagt, also kann man eigentlich davon ausgehen, dass inzwischen die Großen mehr oder weniger dadurch sind. Der Mittelstand glaube ich, ist noch dabei und die suchen auch immer so ihren eigenen Weg, weniger so von den Gesamtmodellen her, als von der Vorgehensweise her. Also die Vorstellung, dass man dieses Drei-Box-Modell in so einer Salamtaktik einführen kann, also dann mach ich zuerst mal die Business Partner und dann die Centre of Expertise, da muss ich nicht viel machen und dann schau ich mal, wie ich das mit dem Rest mache. Nee, dass das eine ohne das andere logisch gar nicht geht, das merken sie dann. Dann kommen wir wieder ins Spiel.

- I Wenn Sie jetzt sagen, dass das Modell jetzt gerade für den Mittelstand interessanter ist, was macht oder was müsste denn der Mittelstand besser machen, als die Großkonzerne?
- B Ja, der Mittelstand sollte eins besser machen und ich glaub, das wird er auch besser machen, weil der Mittelstand grundsätzlich so tickt, der Mittelstand sagt nämlich, bei uns ist alles anders. Also egal, Beratung mit was ihr kommt, wir wollen nicht das Modell X Y und das drück ihr uns jetzt hier auf. Das funktioniert beim Mittelstand nicht. Bei gar nichts funktioniert das? Vielleicht aus der gleichen Branche mal einen Prozess oder so, ja, wo man sagt, okay, das hat eigentlich jeder, da über den Benchmark etwas lernen. Aber das der Mittelstand eben sagt, was brauch ich eigentlich an HR Organisation, also was ist eigentlich der Auftrag, worum geht's in den nächsten Jahren, mit wie viel Ressourcen will ich was machen und sich dann das passende Modell eben aussucht. Da, meiner Meinung nach, ist der Mittelstand eher dann in der Implementierung und braucht dann eben Unterstützung? Zudem in der Moderation, weil zumeist nicht so viele Ressourcen vorhanden und auch nötig sind, zudem fehlt das entsprechende Know-How. Und da hab ich schon ganz gute Hoffnungen, also der Mittelstand, der sich dem Thema wirklich strategisch nähert, der hat eigentlich alle Voraussetzungen, von der grundsätzlichen Haltung her, dass sie das auch gleich richtig machen, also das sie das nicht eins zu eins kopieren, was wo anders passiert ist, inklusive Fehlern.
- I In meinen bisherigen Gesprächen, nicht nur auf der professionellen Beraterseite, sondern auch auf der Großkonzernseite, insbesondere kam relativ schnell, wenn man das Thema strategisches Personalmanagement anspricht, eine gewisse Ratlosigkeit weil man eigentlich nicht so richtig wusste, was man da fassen sollte. In der Anfangsphase gab's immer Definitionen, dass sozusagen alles strategisch ist, was eben nicht wiederkehrend, administrativ, schlicht Routine ist. Gibt es im Mittelstand

eine stärkere Klarheit, was strategisches Personalwesen tatsächlich ist und was es wirklich auch an Wertbeitrag leisten kann?

B Also das kann ich nicht über den Mittelstand sagen. Ich weiß auch nicht, ob der Mittelstand das Wort in den Mund nehmen würde.

Aber wir haben für uns ein Modell: wir unterscheiden zwischen den Basisthemen, also alles, was tatsächlich sich wiederholt, was Volumenprozesse sind, also das fängt an beim Einfachsten, nämlich die Gehaltsabrechnung, was sich eben ständig wiederholt und auf alle Mitarbeiter zutrifft, und dann die ganze Administration, aber auch Bewerbermanagement oder Einstellungsprozesse sind auch bis zu einem gewissen Punkt strategisch. Also alles, was nicht direkt einen Wettbewerbsvorteil verschafft am Arbeitsmarkt. Das würde ich jetzt mal als operativ, als operatives Personalmanagement, ja bezeichnen, was auch reaktiv sein kann. Also da passiert einfach was und daraufhin muss ich was tun, also da ist der Personalbereich, würde ich mal sagen, so was wie ein Servicepartner.

Und strategisches Personalmanagement definieren wir in unserem Modell so, wenn man das so als Kugel sieht, das eine ist also die eine Halbkugel, was ich jetzt eben beschrieben hab, das ist auch die Basis und die andere Halbkugel ist quasi, sind die strategischen Themen, die können auch in einem Unternehmen unterschiedlich sein, also da, wo ich mir Wettbewerbsvorteile verschaffen muss, aufgrund meiner Arbeitsgeberpositionierung oder ich mir verschaffen will, um eben tatsächlich als Unternehmen die Nase vorn zu haben oder als Arbeitgeber die Nase vorne zu haben. Wenn ich im Bereich Performance Management ein Problem habe, dass zu viele Hochleistungsmenschen mein Unternehmen verlassen, weil ich halt keine weiterführenden Karrierechancen anbieten kann oder wenn ich zu viel Low Performer und dadurch meine gesamte Produktivität runter geht, je nachdem, wie stark ich von meinen Ressourcen abhängig bin, kann das ja die ganze Unternehmensperformance kaputt machen, also in Unternehmensberatungen, die zu 90 Prozent von ihren Human Resources abhängt in allem, wenn ich da 50 Prozent Low Performer hab, dann kann man sich's leicht ausrechnen, wie dann ein Unternehmen bedroht wäre.

Also da ist ein Performance Management ist natürlich existenziell strategisch. Also da muss einfach jedes Unternehmen aufgrund der eigenen Unternehmensstrategie sagen, was sind meine strategischen Handlungsfelder, also die mir helfen meine Ziele zu erreichen und die anderen Dinge sind notwendige, aber keine hinreichenden Voraussetzungen Wettbewerbsvorteile. Also ne gute Payroll, das ist kein Wettbewerbsvorteil, das ist nur ein Nachteil, wenn Sie's nicht hinbekommen. So in dem

Sinne und welches die Themen sind und was in den Themen jeweils zu erreichen ist, das hat wieder was mit der gesamten HR Strategie zu tun, mit der Planung, mit der strategischen Personalplanung und das hat was mit der Unternehmensstrategie zu tun. Also es ist eigentlich, ich finde es eigentlich relativ einfach und diese Hausaufgabe, die muss eben gemacht werden in den Unternehmen, die meisten sind sehr operativ und strategisch heißt dann, ich mache Führungskräfteentwicklung und biete da ein Programm. Das ist dann strategische Managemententwicklung. Also da, wo eigentlich Leadership stattfindet im HR Bereich, wo der Unterschied gemacht wird, wo sich HR auch einmischt, bei der Besetzung von bestimmten Schlüsselpositionen zum Beispiel. Dass da nicht einfach irgendjemand hinkommt, sondern jemand, der entweder dafür bereits als Nachfolger vorgesehen ist oder eben jemand sehr gutes von außen, je nachdem, wie das da geplant war und das muss eben sichergestellt werden. Und da, an diesen Punkten, da kann HR dann den Unterschied machen fürs Unternehmen.

- I Es gibt eine neue Umfrage von dem Forschungsinstitut Roffey Park aus Großbritannien aus 2014, also ganz aktuell, wo sich HR immer noch beklagt, dass man zwar am Tisch sitzt von einem Board, dass man aber nichts zu sagen hat, auch nicht wirklich gefragt wird und dass man nach wie vor nicht wirklich das Gefühl hat, auch als Personaler Wertbeitrag zum Unternehmen zu leisten.

Und die Antwort, die dann in diesen Fragen herausgekommen ist, dass die Leute sich immer noch zu viel mit wortwörtlich unnützer Tätigkeit, mit wiederholenden Tätigkeiten beschäftigen. Dieses System des segmentierten Personalwesens gibt's ja eigentlich schon seit fast 20 Jahren und eigentlich müsste doch jetzt eigentlich wirklich alles viel besser sein. Das war ja eigentlich der Ansatz, dass es dadurch effizienter wird, Personalwesen bekommt ne ganz neue strategische Rolle und irgendwie scheint das Wehklagen aber kein Ende zu nehmen.

- B Also das Wehklagen, das ist so eine Art Jammerkultur, die eingezogen ist in den letzten Jahren. Man kann ja auch sagen, was nutzt das Jammern. Wenn so eine ganze Provision jammert, was nützt das. Das wäre mal ein interessanter psychologischer Ansatz. Ich bin total gegen dieses Jammern, weil ich denke wir sind alle selbstverantwortliche Menschen und wenn ich in einem Unternehmen bin, in dem das Thema Personal keine strategische Rolle spielt, dann spielt der HRler auch keine strategische Rolle. Ich finde es halt wichtig herauszufinden, wo kann ich denn einen Mehrwert stiften und wenn es nur ein Thema ist und wenn es Personalkosten sind zum Beispiel. Und dann bin ich aber fit auf diesem Thema, bin Experte zu dem Thema und bringe das Thema ein und dann sitze ich da auch mit am Tisch, wenn ich die richtigen Themen habe. Aber nur mit dem Anspruch am Tisch zu sitzen, immer über alles reden

zu wollen, was ich so habe. Wenn man sich wie ein Leader verhält im HR Bereich und auf der Ebene angesiedelt ist, weil es Sinn macht in dem Unternehmen, weil es so eine wichtige Rolle spielt und dann muss man das für sich rausarbeiten. Und es dann einfach tun, also aufhören zu jammern und es einfach tun.

I Erleben Sie in Ihren Prozessen, die Sie begleiten diesen Hightech-Ansatz, dass man sehr stark forciert auf diese neuen technischen Optionen eben eingeht?

B Das kann ich gar nicht pauschal beantworten. Die Technologisierung schreitet sowieso voran in allen Bereichen und dann auch in den Unternehmen und dort wo größere Shared Service Center eingerichtet sind, da entsteht natürlich eine entsprechende IT für den HR Bereich dahinter. Es geht ja anders gar nicht, sonst kann ich auch letztlich die Effizienzpotentiale gar nicht heben, die ich heben möchte und dann habe ich ein Ticketsystem und ja dann muss natürlich sehr, sehr viel Technologie dahinter stehen.

I Wie kann man es denn schaffen, dass man beispielsweise ältere Mitarbeiter an solche Sachen heranzuführt?

B Das ist ja eine Frage, die das Unternehmen insgesamt beantworten muss, weil das ist ja nicht nur der Bereich, also der Bereich Human Resources ist ja meistens der Letzte, der dann irgendwo auch noch an die Technikplattform angeschlossen ist. Das ist ja vorher, tickt dann schon der Einkauf so und vielleicht Vertriebsprozesse und auch Sachbearbeitung wird in SAP schon erledigt, bis dann irgendwann auch mal ein Manager Self Service oder Employee Self Service kommt, das heißt, das ist ja eine grundsätzliche Frage und da gibt's natürlich schon Modelle wie Menschen an die Technologie da ran geführt werden. Also Schulungen und On The Job, Near The Job und mit kollegialer Hilfe, Change Agents, die da eingesetzt werden, selbsterklärende Oberflächen und so weiter und so fort.

Daher denke ich, das Problem tritt jetzt nicht nur im Bereich Human Resources auf.

I Und wenn der Ansprechpartner in Polen oder Rumänien sitzt?

Das ist die interessantere Frage, was, macht das mit dem Sachbearbeiter, jetzt entweder in Krakau anrufen soll und muss. Oder er kann eben nur noch per E-Mail kommunizieren, also das find ich dann schon eine interessante Frage, die dann auch was mit der Unternehmenskultur macht.

I Das ist auch das Ebene, wo es eigentlich auch hingehet mit der ganzen Doktorarbeit. Dieses segmentierte Personalwesen ist wunderbar, weil ich kann meine Gehaltsabrechnung, irgendwelche Bescheinigungen abrufen, sehe meinen Urlaubsstand. Also für alle standardisierten Prozesse geht das.

Sobald es das nicht mehr Standard ist, wird es schwierig. Das ist die Quintessenz, aus den Gesprächen. Dann ist man eben angewiesen auf Shared Service Center, wo man eben anrufen muss, wo man eben das Ticket bekommt und wo man dann eben in der Hoffnung ist, dass dann eben eine kompetente Antwort irgendwann irgendwie zustande kommt. Kann das zu einer Entfremdung führen, wenn ich nur noch mit irgendwem, irgendwo zutun habe?

B Ja, ich denke das kann man ganz gut vergleichen mit der Entwicklung, die die Banken genommen haben. Ja, also früher ist man auch mit seinem Sparbuch in die, in die Filiale gegangen und da hat der persönliche Berater und das ist eben jetzt alles nicht mehr. Ich weiß nicht, wie viel Menschen überhaupt jetzt noch eine Bankfiliale betreten, außer um am Geldautomaten sich dort Geld zu nehmen. Also das ist natürlich schon etwas, was sich weiterentwickelt. Ich kann jetzt auch nicht sagen, ob die Bankkunden heute jetzt unzufriedener sind als früher, das weiß ich nicht. Es ist einfach so eine Entwicklung der Zeit und für diesen Serviceteil, diesen operativen Teil da denk ich ist es auch sehr, sehr schwer aufzuhalten.

I Und kann sich Personalwesen dann noch kümmern? Wenn ja, wie?

B Na ja ist ja die Frage, nicht wie, dann schon eher die Frage um wen. Also wer kümmert sich eigentlich um wen? Also was heißt kümmern und wer um wen. Und wen, wenn man jetzt mal grundsätzlich, man hat eine ganz einfach Teilung zu nehmen, hat man ja, ich sag mal, Geschäftsleitungsrollen, also man ist ja dann in Beschäftigungsrollen, dann haben Sie Führungsrollen und Sie haben Mitarbeiter. Führungsrollen können natürlich auch wieder verschiedene Ebenen haben. Bei vielen Umsetzungen, gerade des Drei-Box-Modells ist es ja so, dass der Personalbereich gar nicht mehr mit den Mitarbeitern spricht, sondern die Führungskräfte sprechen mit den Mitarbeitern und das find ich jetzt ehrlich gesagt vom Anspruch her auch keine schlechte Entwicklung. Und da haben wir auch eine Menge Nachholbedarf. Also wie viel HR steckt eigentlich in einer Führungskraft? Ich glaube zu wenig in vielen Unternehmen, viel zu wenig, warum auch immer, das kann natürlich auch systembedingt sein, dass dafür gar keine Zeit ist. Es kann aber auch eine Ausrede sein, ist ja auch gut, wenn man keine Zeit hat, dann muss man sich vielleicht nicht mit etwas beschäftigen, was man nicht will, oder was man nicht kann und sind nicht zu viele Fachkräfte zu Führungskräften gemacht worden und so weiter und so fort. Da ist ja irgendwo ist das ja so ein ganzer Kreislauf, der sich da dann schließt. Wenn wir Rollenbeschreibungen machen in Projekten, wo's um HR Transformation geht, da gehört für uns die Rolle der Führungskraft und die Rolle des Mitarbeiters immer mit dazu. Und nur, wenn ich dann alle beschrieben, Business Partner richtig wäre, das Centre of Expertise und das Shared Service Center und die

Führungskraft und der Mitarbeiter, das sind die Rollen, die dort zusammenspielen müssen. Und wenn man jetzt nur über die HR Rollen spricht, kann es nicht gelingen. Sondern die Führungskraft muss halt einen Teil von der HR Arbeit auch wahrnehmen.

I Sehen Sie es denn so, dass, Line Manager in Führungszeichen alleine gelassen worden ist mit der Umstellung, nach dem Motto: und jetzt bist du Führungskraft, hast nebenbei auch noch so einen HR Job, das schaffst du schon, ohne große Schulung und ähnliche Geschichten, ist das auch ein Grund mit dabei, dass das ganze System gekippt ist?

B Ja, das glaub ich schon. Also ich finde grundsätzlich ist es einfach so, dass die Führungskraft einen HR Job zu machen hat. Also ob jetzt die Führungskraft alles, was man am Manager Self Service dann umsetzen muss, also ich glaub da hat es schon Stilblüten auch gegeben. Was soll das, dass, wenn die Gehaltsrunde war, dass dann die Manager bis zu einem bestimmten Termin, wenn sie sehr viele (Direct Reports?) hatten, was manchmal der Fall ist, alles eintippen müssen und sich da mit diesem System beschäftigen müssen? Das halte ich für Ressourcenverschwendung, weil der Manager ist dann letztlich auch zu teuer und die Ressource ist einfach verschwendet an der Stelle, das finde ich unsinnig und das würde wahrscheinlich auch einer Wirtschaftlichkeitsprüfung letztlich nicht standhalten. Also da gibt es wirklich Auswüchse, die finde ich, absolut nicht gut. Würde ich auch nicht empfehlen in Projekten.

I Das hab ich selbst erlebt, als, als ich Personalleiter war. Das Unternehmen kam quasi zum Stillstand, weil es drei Wochen lang Appraisalgespräche gab.

B Ja, zum Beispiel, ja. Das ist dann wieder so ein eigenes Thema mit den Appraisals oder mit den Mitarbeitergesprächen, es gibt eigentlich ganz wenig Unternehmen, die damit zufrieden sind mit dem Instrument. Das wäre auch mal interessant, wenn man das alles abschaffen würde, was dann eigentlich passieren würde.

Also nicht die Gespräche zwischen Führungskraft und Mitarbeiter, die würden ja sowieso stattfinden. Die Leute behaupten ja auch immer, sie sagen, ja warum soll ich das führen, ich rede ja sowieso jeden Tag mit meinem Mitarbeiter, also ich denke, da ist insgesamt, wäre da noch einiges zu tun, ich glaube einfach, dass dieses ganze Thema Personalführung, dass das einfach viel zu spät in der Berufslebensphase kommt. Also im Grunde genommen, müsste man schon mit dem Berufseinstieg mehr lernen sich selbst zu managen und sich selbst zu steuern, auch in seiner Leistungsfähigkeit und Aufträge zu klären; dass man also da sehr schnell auch seine

eigenen Stärken kennt und seine Interessen und dann auch sehen kann, möchtest du Führungskraft werden und was heißt das dann eigentlich?

Weil Führen heißt ja nicht nur Mitarbeiter führen, sondern hat ja noch ein paar andere Aspekte und sodass man da sehr früh, sehr frühzeitig ein Know-how mit rein gibt, sodass es eigentlich die Personen, die auch Lust haben andere Menschen dann zu führen, also wirklich Leader Typen, auf welcher Ebene auch immer, die werden dann auch mehr Zeit mit den Mitarbeitern verbringen als andere, die sich in erster Linie für die technische Aufgabe interessieren.

Wobei wenn ich ein Technikteam hab und es sind lauter Techniker und Technikerinnen zusammen, dann ist es bei denen, die interessieren sich auch alle für Technik und dann geht Führung eben über die Fachkompetenz und über die Aufgaben, die Spaß machen und dass man zusammen Projekte gewinnt oder Probleme löst oder was auch immer. Also da gibt's ja verschiedene Ansätze.

I Von daher wäre auch sozusagen die Führungskraft derjenige, der auch dann positiv auf die Motivation des Mitarbeiters einwirken könnte.

B So ist es, ja. Ja und vor allem müsste, also Leadership, das ist jetzt ein bisschen ein abgegriffenes Thema, aber, für mich ist einer der Hauptunterschiede zwischen einem Manager und einem Leader, ist dass der Leader sich multipliziert.

Der möchte sich selbst multiplizieren, dass also eben Know-how weitergegeben wird, dass dort Wachstum entsteht. Dass dort Eigeninitiative entsteht und nicht nur, dass jetzt operativ die Prozesse alle laufen und jeder an seinem Platz ist und die Maschine gut geölt läuft und richtig ausgerichtet ist und den richtigen Output liefert.

Bis auch zum loslassen von Mitarbeitern, dass man wirklich sagt, okay, wenn ich für den irgendwo im Unternehmen eine tolle Chance sehe, dann empfehle ich den dorthin, obwohl es mein bester Mitarbeiter ist. Das ist für mich Leadership, vorgelebtes Leadership.

I Liefert HR dann einen Mehrwert, wenn es die Leute dazu befähigt so zu werden?

B HR meiner Meinung nach muss den Rahmen, enablen, wie man so schön sagt, setzen dafür, muss solche Führungskräfte einstellen, die das mitbringen. HR enabled dies Kultur, in dem formuliert wird, was ist bei uns ein Leader und muss dann auch dafür sorgen, dass möglichst viele von solchen Menschen auf die entsprechenden Positionen kommen. Ob man das dann so lernen kann, also wenn man es nicht

mitbringt, gar keine Affinität dazu oder keine Attitüde dazu, glaub ich nicht unbedingt, dass man das dann lernen kann. Man kann das lernen durch ein gutes Vorbild, aber man muss schon irgendwo so was in sich haben, was in die Richtung geht, das hat auch was mit loslassen zutun.

I Und mit Angstfreiheit

B Ja, auch, unbedingt, guter Punkt.

I Es ist ja häufig so, dass der Manager dafür sorgt, dass die Leute bis zu einem bestimmten Punkt wachsen und dieser Punkt ist genau definiert, bis dahin, wo sie mir nicht mehr gefährlich werden können und darüber hinaus geht halt nicht mehr und der Leader wäre da in dem Punkt eben, der sie eben auch einfach weiter wachsen lässt.

B Ja, der Leader wird auch nicht von Angstfreiheit sprechen, sondern von Vertrauen. Dass der einfach sagt, okay, zu vertrauen heißt auch Selbstvertrauen natürlich und wenn man langfristig beschäftigungsfähig bleiben möchte, dann muss man eben auch so was wie eine Rollenflexibilität haben und Vertrauen haben in sich selbst und andere, also vor allem auch in sich selbst und dann geht das auch immer weiter.

Also zumindest, wenn man sich es mal anschaut, gerade wenn man jetzt mal nur Deutschland nimmt, aber natürlich auch international, wie die ausgebildet sind bei uns, dann wird's für uns immer Jobs geben, also wenn man entsprechend bereit ist seine Leistung zu erbringen oder den Mehrwert zu stiften.

I Wenn Sie Ihre Projekte betreuen, wie groß sind die Widerstände?

B Also ich sag mal so, es gibt natürlich, zunächst wenn wir reinkommen in ein Projekt, gibt's zunächst mal wenig Widerstand, weil wir natürlich beauftragt sind und irgendjemand hat gesagt: okay wir nehmen jetzt so und so viel Geld in die Hand und beauftragen eine Beratungsfirma und die, mit denen wir dort zuerst zu tun haben, bei denen ist natürlich kein Widerstand. Der Gedanke ist vielleicht eher, kann man sich auch profilieren und toll endlich packen wir das Thema an. Der größte Widerstand, der nächste Widerstand, der meistens sichtbar wird, ist in dem zukünftigen Shared Service Center, den kann man schon voraussehen quasi. Dass das kommen wird, wenn man das nicht so aufsetzt, dass sich die zukünftigen Mitarbeiterinnen und Mitarbeiter des Shared Service Center, sich nicht als Verlierer sehen dürfen, des Ganzen. Und ich glaub das ist auch in vielen Unternehmen nicht wirklich so gut gemacht worden. So nach dem Motto, also die Business Partner, das sind so die Kings. Die sind nah am Kunden und alles was Kunde ist, weil der Kunde ist ja schon King und der Business Partner, also es ist ja das Nonplusultra sozusagen, die stehen sowieso gut da, weil sie

haben Expertenwissen, das ist natürlich auch ein USP. Und Shared Service Center da geht dann eben so der Rest rein und da hat man auch gar nicht mehr direkt da mit Menschen zu tun, sondern da geht's nur noch um Prozesse und um Tickets und so weiter. Und das ist natürlich eine riesen Umstellung, für die meisten Leute. Und da liegt meiner Meinung nach sehr häufig der Hund dann auch begraben, was Widerstände während des Projektes anbelangt. Wenn das Projekt zum Nutzen der Führungskräfte durch ist, dann haben sie da natürlich eher Freunde auf der Seite. Die sagen: ja endlich. Endlich hab ich mal einen Gesprächspartner, der auch mal Zeit hat mit mir hier über eine Restrukturierung oder Erreichung meiner Ziele zu sprechen und was wir da noch auf Mitarbeiterseite tun können und nicht jemand, der ständig nur reaktiv irgendwelche Sachen abarbeitet.

I Wie kriegen Sie die Leute im Service Center bei der Stange gehalten? Wo es doch häufig auch ein Bereich ist, der per Saldo gering verdient. Vodafone, E.ON, die haben gerade ausgegründet unter großen Geburtswehen unter dem großen Motto, wir müssen Kosten sparen, Punkt. Das war der Anspruch.

B Ja es gibt natürlich einfachere Tätigkeiten, wo man schneller angelernt werden kann. Ich nenn mal Bewerbermanagement oder so etwas, wo keine Entscheidungen fallen, sondern wo einfach nur, was weiß ich, Unterlagen vervollständigt werden, Reports gezogen werden, getrackt wird oder getrieben wird in den Prozessen, das ist schon klar, es gab immer schon Assistenzkräfte, die Bewerbermanagement durchgeführt haben. Die Aufgaben verändern sich oft gar nicht so stark, es sei denn die Sachbearbeitung hat vorher auch mit beraten, irgendeine Form von Beratung gehabt, direkt mit Führungskräften gearbeitet und so weiter und dann findet natürlich so eine Art Abwertung statt.

Tatsächlich oder auch nur gefühlt und meiner Meinung nach, ist da das Wichtigste im Projekt, das machen wir so, dass wir, also wenn schon klar ist, dass die so eine Art Drei-Box-Modell kommt und die Business Partner Rolle auch Business Partner heißt, ja dann versuchen wir schon auch zu sagen, es ist letztlich nicht der Business Partner, der das repräsentiert, sondern es ist HR als Business Partner und was heißt das denn? Und dazu, also da geh ich auch voll mit Dave Ulrich, der letztlich auch sagt, dass nur wenn, wenn, wenn alle zusammenarbeiten als ein Team, dann funktioniert das Ganze. Also dieses Drei-Box-Modell funktioniert nicht, wenn da nicht zusammengearbeitet wird. Untereinander sind es auch wieder Kundenlieferantenbeziehungen und wenn sich da einer als Verlierer sieht, wie oft das Shared Service Center, wie ich anfangs schon sagte, dann kann das nicht zum Erfolg führen und dafür muss man einfach sorgen, dass das Shared Service Center unbedingt auch und dass die anderen das auch

sehen, dass es sozusagen das Herzstück ist des Ganzen. Weil ohne das Shared Service Center, ich kann einen Personalbereich betreiben ohne Business Partner und ohne COE, das kann ich mir immer von außen einkaufen oder es gibt halt keine Business Partner, es gibt halt keine Betreuung vor Ort, das muss die Führungskraft alles selbst machen. Aber nicht ohne das Shared Service Center, ob ich es selbst betreibe oder rausgebe, das ist so eine Frage so ein bisschen der aktuellen Strategie, Outsourcing Strategie, aber das ist die Grundvoraussetzung. Und das find ich einfach auch wichtig, dass das rüber kommt und dass es da einfach um einen top Service geht und nur wenn der funktioniert, dann wird man überhaupt mit den anderen sprechen wollen. Weil wenn die Leute ihr Geld nicht rechtzeitig auf dem Konto haben oder alles zu lang dauert und ich mich da schlecht präsentiere, da mach ich mich insgesamt unglaublich. Und das muss man halt rüberbringen und wo wir großen Wert drauf legen in unseren Projekten, dass das von Anfang an auch in der Sprache sich niederschlägt. Also dass man eben nicht sagt und das sind dann die, die nur die Volumenprozesse machen und das sind die minderwertigen Aufgaben und so weiter und so fort. Weil es halt einfach auch nicht stimmt gemessen am Gesamten. Die sind vielleicht niedriger dotiert und es ist auch nicht so eine Ausbildung dafür und so viel Erfahrung und nicht so breit und so weiter, das wollen die auch gar nicht. Die Leute, die im Shared Service Center sich wohlfühlen, die wollen nicht Business Partner sein.

Ein Problem gibt es, wie eigentlich die Entwicklungswege sind, also wie kann ich mich aus dem Shared Service Center weiterentwickeln oder wenn ich Business Partner bin, ist noch mal ein ganz anderes Thema, was das Modell als Problem aufwirft, aber dass von Anfang an vom Wording her, also welche Wörter benutzt werden, um das Ganze zu beschreiben und auch das Shared Service Center zu beschreiben, dass man da wirklich ganz sauber ist und keine negativ besetzten Wörter verwendet.

Ich habe neulich, haben wir in einem Projektreview drin gesessen und da sind wir auch so dazu gekommen, als, das schon halb in der Umsetzung war und da hatte sich das schon so verfestigt das Shared Service Center, die 30 Leute die da drinnen sind, die sich so, ja als Verlierer sehen und da haben wir dann die Führungskräfte, die aus den anderen Bereichen und aus dem Bereich, die haben dann so berichtet, was im Moment so das Problem ist und die hatten selbst ne ganz negative Sprache drauf.

Also was das eigentlich noch mal verstärkt hat. Die haben dann gesagt, ja das sind ja die fleißigen, unsere fleißigen Ameisen oder die fleißigen Bienchen, ich weiß nicht mehr genau, was sie jetzt gesagt haben. Hab ich gesagt, also wenn Sie so reden über diese Funktion, dann ist es ja kein Wunder, das muss ja dann so wahrgenommen werden. Ja aber das ist doch, das meinen wir doch nett und so. Ich hab gesagt, ja, möchten Sie

ein fleißiges Bienchen sein, das sind dann so unbewusst einfach sprachlich, wo man schon sagt, das ist doch so eine gewisse Haltung dahinter, so eine gewisse Abwertung dahinter, die meiner Meinung nach absolut gar nicht gerechtfertigt ist. Weil wenn man sagt, das Ganze ist ja, man kann noch weitergehen, man muss nicht sagen HR als Businesspartner, sondern das ganze ist HR als Business. HR ist in dieser Form ein Professional Service, das ist ein Professional Service Business und zu diesem Business Modell gehört der Shared Service Teil, gehört nun mal dazu, ohne den funktioniert das Ganze nicht. Und so muss man das, meiner Meinung nach, dann auch umsetzen. Und auch von der Wertigkeit her kommunizieren und auch begreifen und im Projekt auch managen, ne?

- I Sie haben gerade noch einen interessanten Aspekt aufgeworfen, den ich in dem Shared Service Center in einer Firma im Sauerland angesprochen hatte, die Transparenz oder die Durchlässigkeit des Systems in sich selbst. Ob man, wenn man im Service Center sitzt, in der Falle sitzt. Natürlich gibt immer Leute, die da gerne arbeiten, das als ihre Aufgaben sehen, aber manchmal hat man eben doch auch den Wunsch aus dem Service Center auch noch eine andere Entwicklung machen zu können. Und in dem Unternehmen war das nur bedingt möglich, weil das eben auch ganz wo anders saß, Zonenrandgebiet und solche Geschichten, da wo eben viele Fördergelder bekommen hat, was eben dann auch mit einem Wechsel aus dem Service Center gleichzeitig noch verbunden war mit einem großen Umzug.

Es wurden unbewusst auch noch geographische Hürden aufgebaut, was in vielen anderen Fällen ja auch der Fall ist, wenn die dann ihre Sachen eben in Krakau, Philippinen oder sonst wo hoch ziehen, von vermittelt das System eine gewisse Starrheit.

Wie kann man so eine Durchlässigkeit des Systems hinbekommen?

- B Also rein methodisch, rein methodisch ist es relativ einfach, weil dafür hat HR alle Instrumente. Also mit Jobmodell und da sieht man ja, wo da die Übergänge sind zwischen den verschiedenen Jobprofilen. Die andere Frage ist ja, wie ist es organisatorisch aufgebaut, gibt es organisatorische Brücken? Also wenn der Shared Service Center zum Beispiel beim Dienstleister liegt, also außerhalb liegt, dann wird's da keine Möglichkeit geben, vermute ich mal. Und ansonsten, das haben wir damals auch in unserer Studie gefragt und das ist da auch rausgekommen, ist es nicht eigentlich auch eine Sackgasse HR Business Partner zu werden. Weil wenn ich sage, ja ich möchte dann irgendwann vielleicht mal eine Personalleitung übernehmen und auch für Führungsverantwortung haben. Und jetzt bin ich als Business Partner ohne

Mitarbeiter unterwegs, dafür sehr strategisch und immer abgehoben, was kommt denn danach? Und es gibt jetzt nicht so viele Unternehmen, die einen Business Partner Level eins, zwei, drei haben. Also einen Junior, Intermediate und dann Business Partner und einen Senior Business Partner, sondern die haben dann Business Partner, vielleicht noch zwei Stufen, fertig, dann kann ich nur noch die zweite Stufe nehmen und dann? Vor allem wenn ich so aufgestellt bin: ich der Generalist und will das auch bleiben, ich will jetzt nicht plötzlich Talent Manager werden.

Dann ist das genauso eine Sackgasse, als wenn ich im Shared Service Center sitze und das hat zwei Aspekte, das eine ist, dass die Personen selbst rollenflexibel sein müssen, dass man möglichst viel auch Projektarbeit machen sollte, egal wo man sitzt auf dem Shared Service Center oder sonst irgendwo, dass man versuchen sollte, die Leute über Projekte in Bewegung zu halten und auch über ihren eigenen Arbeitsplatz hinaus zu fördern, also auch zu denken und dann auch zu fördern und das Zweite ist, dass die Unternehmen selbst durchlässiger werden müssen. Also dass sie auch mal sagen müssen, okay der ist Talent Manager, der wird jetzt eben mal hier Business Partner und da haben wir jetzt auch eine Form, wie wir den da einarbeiten, über einen Tandem oder wie auch immer, der läuft dann da mal mit und umgekehrt, dass auch ein Business Partner mal sagt, gut der kann je nach Level, dann auch mal eine COE Leitung übernehmen oder ein sehr großes Projekt, was dann auch dem Level der Erfahrung und so weiter angemessen ist. Und warum soll so jemand nicht auch mal ein Team im Shared Service Center leiten und umgekehrt. Für die Sachbearbeiter selbst und für die Spezialisten, für die hat sich eigentlich gar nichts geändert, für die sind eher noch Chancen entstanden, weil es jetzt auch plötzlich Teamleitungen gibt. Also vorher war man vielleicht zu dritt am Standort, ist man auch nie rausgekommen aus der Sachbearbeitungsrunde, aber jetzt gehör ich in einem Team da sind es 30 und da sind dann irgendwie sechs Teams und dann gibt's noch ein spezialisiertes Team, keine Ahnung für Zeitwirtschaft oder Reisekosten, was man noch hat. Und da hab ich jetzt die Chance vielleicht mich zu verbreitern in meiner Qualifikation, weil Payroll oder die anderen sind jetzt benachbart, also da kann man über Rotation was machen oder mein Aufgabenprofil ist sowieso angereichert worden, weil man ne Mehrfachqualifikation haben möchte, um flexibler zu sein in dem Shared Service Center oder es gibt zumindest Teamleitungen oder stellvertretende Teamleitungen, also jetzt so innerhalb, innerhalb dieser Säule, glaub ich hat sich durchaus auch was getan.

- I In England wurde mir mehrfach gesagt, dass man erstmal diese Transformation wirklich erfolgreich hinkriegen muss, bevor man eigentlich tatsächlich weitermachen

kann und solche Sachen wie Talent Management stärker fokussieren oder Alien Society eben stärker einbringen kann.

- B Also meiner Meinung nach muss man beides gleichzeitig hinbekommen. Ich kann ja nicht einfach sagen jetzt bin ich mal, zwei Jahre bau ich mich jetzt, also ne Transformation wenn, wenn sagen wir mal eine mittelgroße Transformation, das dauert schon zwei bis drei Jahre bis man sagen kann, okay jetzt ist jeder an seinem Platz und der will, möchte das auch machen den Job und kann den Job auch machen, ist dazu weitergebildet und hat jetzt erste Erfahrungen, also bisschen Fuß gefasst, also zwei bis drei Jahre sein. Es gibt auch welche, das dauert fünf Jahre bis das dann bei allen durch ist, die Letzen ausgetauscht sind, die dann das doch dann nicht wollen oder das Unternehmen noch verlassen, dann nachbesetzt ist und so, bis dann so richtig Ruhe reinkommt. Ja und kaum sind sie dabei nach fünf Jahren, aber es hat nach zwei Jahren hat schon wieder irgendwas gestartet, also da kommen jetzt, was weiß ich, eine IT Welle oder dann kommt irgendwas anderes, das Thema Leadership noch mal quer dazu, also es müssen ständig, wenn man HR als Business betrachtet, dann muss ich regelmäßig meine Organisation überprüfen und muss sie verändern und trotzdem meine Kunden noch bedienen, das ist ja ganz normal, das macht ja das Gesamtunternehmen auch.

Ich kann doch jetzt nicht einfach sagen, weil ich mich jetzt nach, was weiß ich, Divisionen aufstelle als Unternehmen, früher war ich regional, jetzt stell ich mich divisional auf, mit globalen Verantwortungen ja und so lang bediene ich jetzt meine Kunden nicht, bis ich das hab. Das ist also oder setzt auf bestimmte Trends nicht, also da bin ich ja dann weg vom Fenster, man muss beides hinbekommen. Und HR soll ja sogar die Kompetenz haben, in den meisten Unternehmen den Rest des Unternehmens dabei noch zu beraten, also dann find ich das super wichtig, dass man hier als Schuster die besten Leisten hat. Deswegen also ich hab jetzt grade vor 14 Tage auf einer großen Veranstaltung von uns, waren über 100 Teilnehmer da, HR Manager aus verschiedenen Unternehmen, einen Vortrag gehalten zum Thema, HR als lernende Organisation, weil ich glaube, das ist das Einzige, wodurch wir da rauskommen. Dass ich mich ständig in, also nicht ständig alle, aber das ein Teil von Human Resources sich damit beschäftigt, wie sind wir aufgestellt, wie ist das Feedback, wo können wir uns verbessern, wo können wir unsere Organisation feinschleifen und so weiter und so fort. Um meine HR Organisation zu entwerfen, die jetzt mal grundsätzlich richtig ist, für die Business Orga, weil das HR ist ja keine eigene Organisation im Sinne von ich stell mich irgendwie auf, sondern ich muss ja schauen, wie ist meine Business Organisation aufgestellt, wie sind meine Kunden aufgestellt und

was liefere ich zu meinen Kunden? Und da muss ich dann die passende Organisationsform finden und das ist eigentlich gar nicht so schwierig.

Und die muss man dann einmal konsequent umsetzen, also meiner Meinung nach fehlt es oft an der Durchgängigkeit und an der Konsequenz. Es fängt schon damit an, dass eine HR Strategie formuliert wird, die aber dann eigentlich gar nicht konsequent umgesetzt wird. Also es gibt gar keine, wenn man sagt, okay, wo ist das jetzt, wo, also wo genau ist es jetzt umgesetzt, ja? Sind ja meistens keine KPIs oder Ziele oder irgendwas hinterlegt, woran ich dann irgendwann sage, haben wir es jetzt erreicht oder nicht. Und da, da fängt es meiner Meinung nach schon an, also das es einfach als Business geführt werden muss HR. Und da muss ich immer die passende Organisation haben und ich muss meine Services liefern, weil sonst bin ich nämlich pleite als Business, also find ich, ist schon eine spannende These, dass man sagt, man das zuerst alles haben.

Interview with Towers Watson

London, 22.04.2014

B: Towers Watson I: Andreas Lischka

I It would be very nice if you just could give a small insight in what Towers Watson is doing and what you are doing.

B I have been at human resources for 24 years now and approximately 14 of those I have been in consulting. I am very much working in the service delivery team. So basically focussing on Ulrich's service delivery model, which means basically you start off with a business strategy and you align your people, human capital strategy, your HR strategy to your overall business strategy. It is like once you have that strategy how do you operationalize it and how we think of operationalizing HR it is really around, processes, structure, talent, your HR talent, not the talent of your organisation, technology, then underlying that is what is your governance model, project management, change management, so on and so forth. Then how you are going to source activities. So, it is very much like a puzzle, , like putting everything together and the pieces have the fit right and there are different pieces for different solutions, so less standardisation but focussing individual needs. So there is not really any best practice, so to speak, but there is best fit for, , the concepts of HR transformation. And that is how we tend to approach it here at Towers Watson. So is that a good overview of what we do?

I That is a very good overview, yes.

B Okay. So, we tend to think of it as and some people talk about it as a wedding cake, because you start at the top and it gets bigger as you go down. So it is about aligning your strategy with the business strategy and then how do you operationalize it around those key things.

I If you are talking about HR transformation, from IT driven systems via the Business partner to transformation. Is there a difference in language in systematics, or at is it melting to one?

B I think there are some differences. So, I think that in terms of technology has matured so greatly, , ERP is for HR really didn't take off to the mid-nineties and , implemented PeopleSoft and SAP and some other systems. I mean, then you had the best breeds, because these ERP systems didn't have the functionality that was required within HR. And now you have new solutions out on the market, they are cloud-based, they are more configurable versus customization and success factors which SAP has brought in, like Oracle Fusion. And that allows you to configure a lot what you want to do and do customizing. So it has brought that down.

In terms of HR transformation I think that during the mid-nineties up until the early 2000s HR transformation was an all overused word that people were thinking in three to four year projects, people were thinking more along the lines of, oh my gosh, we are going to strip this down and build a backup. I think people realise that there is a certain benefit doing that. I think that a lot of the larger companies have gone through that. I think the term HR transformation is a little bit of a mis-nomer. I think that it still exists, I think that it exists in a different context, I think the clocks of the HR transformation has changed. I think that it is not so much focussed on these large multi-million dollar projects as much that it is focussing on a right few things. So it is about doing an assessment of your HR function, what is working, what is not working, what needs to change and then: taking a look very methodically. So if it is working, don't fix it. If it is not working, can you outsource it? Those are the things you need to focus on. And so when we talk with clients about HR transformation, we today talk to them about focussing on a right few things. You are coming up with that list and that was largely a result of the financial crisis in 2008 people that they were doing more with less resources, both the financial and HR people to do large scale transformation projects. So it's focussing on what was going to make them more, what was going to make the biggest difference. And those biggest differences tended to exist on efficiency and cost and realising those further efficiencies.

I Then it was starting off with segmented human resources, how is the situation with outsourcing here in Britain?

B I think outsourcing is relatively mature. I think you have a few large companies really that have explored it. In terms of total outsourcing, I don't think that mid-sized or small firms do that. I think it is more tactical and our survey results show that is more around like pension and pay role. And some of the more highly transactional tasks that heavily burden the HR function that they need to reduce the amount of time they are spending on those type of, highly operational, transactional type of activities.

And I think that across Europe you are seeing a lot of that. I think another market that is really mature for outsourcing is and continues to be Germany. I think that France a little bit less so I think they are willing to export, but, I still think they like to do a lot of things in-house except for a few French companies. And then it is kind of sporadic. But I think that, because you are dealing with a lot of either European headquarter companies they don't look where they can maximise their resource and I think they are going to be more up to look at outsourcing. I think those companies that are larger and have a multi country geographic footprint are more likely to look at outsourcing. And I think the smaller ones are the last out to look at large outsourcing, but look at tactical outsourcing.

I This will be done in the classical form moving those service centres to low cost countries, Poland or Romania, Bulgaria.

B Yeah.

I If you have look at the service centre or in the entire segmented HR, a lot of people working there say, that they are stuck to it and that there is a big gap in motivation and in self-confidence. And especially, if I just may quote something that I found this very morning, I just put it out, "if personal specialists are not passive administrative, nobodies."

B Yeah.

I And someone else told me that they are seen as, I don't know whether that is a British term, as the hard working bees or the hard working ants, I don't know what the corresponding term would be here. They just see themselves as stuck in the service centre, that there is no flexibility to move out. Especially if they are located somewhere out of reach.

B I think there is a big concern. There are two things with that. One is that the shared service centre is an excellent entry level point for someone into HR. You do have the ability to get in there, understand HR from a transactional perspective and continue to develop your way into other areas. And either in terms of specialising, they may be moving into a COE or learning those customer service skills and understand the employee perspective in order to move in to the business partner role and understand the business leadership and manager role. I think there is a career path out of shared services. And I think it is a good one. The second is multi-generational aspect of shared services. You generally are going to have a customer service that is a little bit younger and they are out to stick with an employer for, you are lucky to get somebody that is young to stay with you two to three years. They are just not concerned will stay in that kind of shared service, with one company. They are more concerned about getting the experiences that are going to continue them to move forward. I think those two key things. I think one interesting thing about shared services though is that Europe, I am not sure that there is a concept that European headquarter companies are as geared toward shared services as maybe American headquarter companies are. And I think that for one primary reason, I am diverting from your question a little bit, sorry.

And I think what you need to keep in mind and it comes kind around about the original question, but I think that you need to keep in mind that, because the local regulations and compliance that sometimes all that stuff cannot really be centralised well, okay? So that it still needs to be in local presence for HR especially in manufacturing environment where you are able to have on the ground support to understand dealing with the works councils, dealing with the local compliance and legislation and so I think

the concept of virtual shared services is greater in Europe than it is in US headquarter companies, because I think they understand the realities of that situation better.

I also think the virtual shared services works better for mid to smaller sized firms, because you are actually able to maybe regionalise by country. I am not talking about south of France, northern Italy, Switzerland, and other countries if you have presence that a local HR person may oversee, because maybe they are multilingual, maybe they understand things differently, maybe they work there, maybe that becomes a little bit more about the person than the structure. But there are possibilities to maybe have on the ground support without the infrastructure necessary to say, we have a shared service centre in Poland or somewhere else, there are other ways around that. So, why I say that, to come back to it, because I think that there is always this concept of strategic versus transactional, operational HR. I think people see that transactional, operational is beneath them, in reality it is not. So they are the ones that are interacting with the employers, they are the ones that are interacting with and actually doing the things that a lot of people still view people, view HR as, and if that is not done well, your HR is not going to get a seat at the table. So the concept of this, and I don't like the word transactional, I prefer the word operational, because if you don't get the operations right, you are not even going to be able to do the strategy. People just won't trust you. You can't get their pay cheque right, how are you going to help them define what they need to do with their talent. Right? I think that is how it comes right back to virtual HR back to your original question was a little bit around, now I have lost my train of thought ...

It is a little bit about balancing out the strategic and operational. It is not a bad thing to understand how you are working with employers because unless you understand the employers you can't work with managers, business leaders.

I Two points, first point is that from the employee point of view HR has lost sight, because there is no one else in the company anymore or on the branch, because it is all virtual or it is HR on demand. So for them as an employee on that level, HR importance has decreased. The line managers do say, I have a HR on demand, when I have a problem, then I will contact them.

Do you think that HR lost presence, which would be a natural thing being virtualised in fact and what from your side are the consequences from this virtualisation?

B It just depends on how HR is perceived by the company. So that is hard to answer specifically, because I think it comes down towards the best fit for a company.

HR transformation, I think the biggest value of HR transformation was the business partner. I love the business partner concept, I don't think everybody executes it well and I think if you think about what Ulrich really thought about the business partner, it

was somebody interacting with the business managers and leaders and not so much the employees. I think a lot of people took their HR generalists, renamed them business partners and then changing their activities. So the one way that you are really going to succeed in HR is to bifurcate it, to bifurcate it into strategy and operational. So the shared services is primarily handled by local HR people, generalist or shared services people depending if you have built infrastructure for it. Then you have your business partners which should only be not doing, there should be very few of them, and they should only be really focussing on their key heads of division or geographies or however the company is structured. And then you have the centres of expertise that are dealing with the needs of the organisation from talent recruitment and so on and so forth, okay? And designing the policies and programs. I am getting a little lost here, I know, so maybe I may ask you to redirect me. But the key thing about the operational stuff is that when you think about how you interact with HR today, I call my centres of expertise when example: I just hired five people, right? So I dealt with her on that need and she provided a valuable service to me. And this is me as a manager. Thankfully I haven't had employee relations problem, but for those managers that have had, we have a local HR person that will help us with that and those people are located in country here at Towers Watson.

B And I would never be exposed to a business partner, because I am not the head of a division, right? In my company and that is how we organise it here. So basically HR is not going to have a lot of interaction with managers and employees unless there is a need, okay? But I think that when I have a problem with my pay cheque or if I have problem, I call somebody and I know who I get a hold of in order to help me with that and that is the value they bring with to me. If I need to understand my pension, if I need to understand my paycheque, the stuff that matters to me as an employee, I know there is someone there to ask for help so that I don't have to worry about that stuff. And that is where I think HR brings the value. I actually think as an employee the operational aspect of HR is more important. I think as a manager, it is a balance between operational and strategic. And then I think as a business leader it is more the strategic room and being more exposed. None of those people would ever interact with the COE necessarily, unless there was a like of a direct need like for recruitment or something like that.

I The pure idea of the business partnering model was that the employee, the classical normal staff, is ought to call the service centre if there is any problem arising. And we have this hype in the early 2000's where everyone was reorganising, restructuring and

HR was very busy with itself and very happy to do so. Do you see that there is some form of adapting now the system to the needs?

B I would agree with that. It is moving away from the system, from the model to the need, I think that, yeah, I agree with that. And I think when you go back to the 2000's, early 2000's or late-nineties when Ulrich's book came out, I think you need to keep in mind that everybody was going down the same, I want to do it just like they do, I don't want to do it just like they do and that doesn't work... Best practice is a misnomer. It doesn't exist in my mind. People constantly ask us for data and that kind of stuff, it's fine, but you need to take that and apply it to their organisation. I am grateful to see that a lot of people nowadays think this way. It is not so much about best practice, but it is about best fit. So this is what is going to work within my organisation.

I Do your clients have a clear idea about what in their company is strategic human resources?

B I think the most of them do. I mean I have worked in Europe since 2004 and I have worked with German companies, French and Belgium companies and I have to tell you, I think they have clear idea of what HR is, because they understand the realities of balancing out the operational and strategic needs and I think it is really good. I think that most companies understand it. I think when HR, I think that a lot of transformation didn't really take off and that they all kind of went back to what they were always doing before the transformation. Primarily because they did not up-skill the people, so they didn't give people the right skills to succeed in their new roles, and / or they didn't think it really through, what does this really mean for the organisation. Did they just retitile people or did they really make the necessary changes on what they needed to do.

I That definitely is a good point to come to the next one, reading all studies and it turns out that especially in the beginning of the entire process that it was just that you have human resources minus operational human resources then you have the bar and then you have strategic human resources. The bottom line is then strategic human resources.

I If you just take out the operational stuff out of human resources than you have whatever is there must be strategic. And I think that was a very small-minded thing to do.

B I agree 100 per cent.

I And the they just came, okay, now we have that stuff left and you are now doing this stuff left here, whatever it is, and in order to do so you become our business partner.

B Yeah. I don't think any HR transformation will be successful at this in operations. I honestly think that either you are providing operations through shared services or through outsource providers, but unless you got operations right you failed as a HR organisation.

I Looking at several studies including Towers Watson, Roffey Park, KPMG all of them, CIPD especially 2007, 2008 even the new one, still human resources are seen as being reactive. And if you have a look at the, that was the most shattering one frankly, the Roffey Park one 2014, I can send you the link if you don't have it, HR managers told them that they think they themselves are too passive.

Why is the view from outside on human resources still the view of a reactive administering classical human resources whatever is now the structure, still it is the old cliché?

B But I think one of the primary reasons is capabilities. I mean when you think about somebody who is passive, what skill set do they have being a business partner at all. They should be an operational person, because they are really good at being told what they need to do.

When you think about people that are leaders, what do you think of those people, they are not passive people, they are people that speak their mind, they are people that that push ideas out to an organisation, not wait for someone to pull HR into the conversation. So they are being an advocate for the HR. Sometimes those people ruffle feathers and I think that you need to keep in mind that if you look at somebody who and it crosses any department it is not just HR, finance or any other one, but if you take look at the leadership of successful companies, what differences them and that is the capabilities behind the people. I worked with really talented senior HR people and business partners and stuff like that and then I have other people that would sit in a room in a workshop and not say anything and they are waiting to be told what to do and not designing the solution. So for me, and that is one of our pillars of operationalizing HR is coming down to what are the capabilities of the HR people, what do you need in your organisation to be successful, what capabilities- and those are different, that comes down to behavioural competencies. If you are an entrepreneurial company, you are going to want someone pushing a lot, to make changes. If you are a company that is maybe a little bit more static, you are going to want to bring a caretaker in and manage any changes that will come up. So it is about matching the capabilities with HR staff.

B I think, I don't know, what is your view point actually? Because this is an interesting topic.

I Well I am here to understand your view.

B Yeah. (laughing)

I This discrepancy between the claim and reality.

B Yeah.

I And the reality that HR people themselves are not happy, at least some of them to whom I spoke, because they can't take care anymore and what they think is caretaking. Managers who feel overwhelmed from new duties and are not prepared for that. I just see that this segmented human resources is a given fact, it makes sense to a certain degree cost wise. Personally I do think that if it was executed properly, there would be really no big change in cost, because then the money that you save on the, one moment, passive, administrative nobodies, you would use this money on order to train the other ones.

B Yeah.

I And if it is just cost saving, then I think that the entire system is going to fail and.

B Absolutely. We do not train the managers. We just put pressure on them, especially on the managers in order to give the figures that we ask them to give.

And I think they have done the theoretical stuff, technical stuff, now you are something better than before. And that's it.

And on that level it simply doesn't work.

B I think when people reorganise their HR organisations they, the successful organisations that transform themselves, they don't make them fit in the box, but take that box and look at what the behavioural competencies are required to succeed and that, does this person need to be pushy? And aligning the capabilities of your HR talent with what you want to do in terms of your HR organisation structure and I think that is missed a lot. I think that people that have done it successfully are people that say, Steven does not fit in this role, he fits more in this role or even better, yeah, he doesn't have a role in this new model, because we are changing. And those were hard decisions for people to make.

B And people don't want to decide on that, people don't want to do that and if you are going to transform yourself, you have to make purposeful decisions.

Does, this man or woman have the right skills to succeed in this job? Can I train them and am I willing to train them? And if I can't train them, if I can't train them or I am not willing to train them then they need to go and I need new people. And a lot of people aren't willing to make those difficult decisions.

I You spoke about leaders. Another interviewee stated that what companies do need if they have such a system, are leaders who really train their people or develop their people onto the next level or even to the level higher than themselves in fact. This is, I think, a blessed idea, but is it reality?

B I think some people can be trained. I think the people can be trained into new roles, if they have the right behavioural competencies. If they have the right core skill set to be

successful in the organisation, anyone can be trained to do a role within the company. But if the behavioural competencies are even with the organisation, they are not going to be successful in any role you really put them in.

I What do you think is a criteria in terms of company size to implement such a system?

B In anyone. I think anyone. I think it becomes even more important when you are small organisation, because you can't hide your HR people when you are smaller organisation.

I In Germany the government asks for online communication with health care orgs or tax authorities. Is this the case in Britain ?

B Not government mandated, no.

But a lot of companies are wanting to do that, because they want to create efficiencies.

I The entire transition process from the last years focussed a clearly high-tech approach. We lost to a certain degree the high touch. What do you think are the criteria for the line manager in order to fulfil those needs nowadays? Have they changed in comparison to the situation before transition?

B I think the line manager needs to be a lot more focussed on, being almost like HR person. In order to own for managers on the people they have to understand the ramifications of the policies and programs of HR.

But I think managers today need to understand their business as well as HR.

B It comes down to HR enabling these things, being responsible for making sure that managers are going through trainings, mandated training to be an effective people manager.

B I think that it is really about people managers need to have the skills. HR is behind the scenes, enabling. The idea that once was given of HR as an employee champion moves away, if it was really there, as people management is done from line managers.

I Where are we heading for with our virtualisation, with our segmented human resources? What is the future?

B I think that you are seeing a maturing of the HR transformation aspects. I think what you are seeing is that people are focussing on the right few things and not so much the wider huge HR transformation. There are too many mottos in the air.

B I think there is, some theory out there, HR outsourcing never took off as predicted.

B I can remember being this when I was at another company with one of actually one of my German colleagues stated, HR wasn't going to exist in 15 years and I just don't see that occurring. I do see HR being fewer people. I see those HR people are more focussed on policy design and programs, behind the scenes, and then maybe the operational people besides the legal compliance issues, but if you think about it a lot of work because of automation shifting to the manager. So that the manager's role

become a certain portion HR. If true business partner model should only be reporting to the lines of business so managers should be going to the shared service centre, but not every company has a shared service centre. I don't think that has been defined yet.

B I think there is going to be some kind of reliance on either shared services or virtual shared services. I think that a lot of companies are realising that they can't be a successful HR department without that operational aspect. I think they realise that technology will help improve that. I agree with that 100 per cent. Who is this person that is helping the manager? And I think that person sits in the shared service centre. The future of HR will be on demand, you call them when you need them.

I This means no one as a direct contact person.

B I'll be honest with you. If I have an HR issue, I know who to call and it is one woman, but honestly, I have called her in my two years here at Towers, twelve years of Mercer I can think I have called her maybe two or three times in those long years. And it was primarily to deal with, what is our policy around this, I can't find it online.

I don't need a high touch HR department. I need someone to be there to answer questions when I need them. And for that you need a lot less people doing that stuff.

I think it is generational difference. I think what you are going to see is less reliance on HR, because the younger generation is so adapt at going online to find the information they need, they don't need to talk to people. And maybe because of my interest in HR technology that I have had for the past 17 years, I will find my own answers. And only go to HR when I have a difficult one. If you take a look at the older people, they still want that high touch kind of personnel department.

B That is not where it is going to end up. And I think if you are taking a look at that, you are going to take look at less HR which is going to be less people that are there for interim help and then you have these COE's that help design programs and policies versus today, oh I need to talk to so and so. You don't need to talk to so and so. You really don't. Unless you are having a big issue. And if I have a bigger issue, I know who to talk to at this firm. If I am having a labour issue or anything like that, I know who to talk to. The future is less HR, on demand, in the background.

SAP INTERVIEW

SAP (B), Walldorf, 18.09.2014

B Ralf Wagner, bin im Solution Management HCM, wir kümmern uns um drei Bereiche, das Eine ist so ein bisschen Strategie, wo geht die Reise hin im HR-Bereich? Aus Business-Sicht, also was macht eine Personalabteilung in einer Firma?

Wo wollen sich die hin entwickeln?

Das dann auch mit den Kollegen, die dann die Produkte entwickeln, abstimmen, abgleichen.

Und dann auch mit den Kollegen in, ich sag mal, Beratung, Vertrieb, sagen wir mal Instrumente, Werkzeuge an die Hand zu geben, Präsentationen, Demos, was auch immer, damit sie die Kunden, umfassend und ausgewogen informieren können über das Lösungs-Portfolio. Also sind so drei Bereiche und bei größeren Kunden: morgen bin ich den ganzen Tag bei VW zum Beispiel, weil gerade, die sagen, „da sollte niemand vom Headquartier kommen, weil da wissen wir, die haben keine direkte Umsatzquote.“ Weil, es auch Kollegen, die müssen was verkaufen, die haben ein Quote und die gucken, wie sie das unter Dach und Fach kriegen. Ich war auch fünf Jahre im Vertrieb bei SAP und das schätzen halt die Konzerne, dass dann jemand von der AG oder SE heißt es ja jetzt, kommt und das ein bisschen ausgewogener darstellt und vielleicht auch ein bisschen mehr Einblick in Planung gibt, wo geht die Reise hin, geben kann, als jetzt ein lokaler Vertriebskollege. Die könnten das genauso, wenn sie die Informationen hätten und so weiter, ist ja manchmal nur eine Sache, welche Visitenkarte hat man? Aber so ist das Spiel halt, ne.

I Ja, ist auch völlig legitim.

B Also das ist das Eine. Das Andere vielleicht, ich bin seit zweitausendfünf bei SAP, vorher war ich im öffentlichen Dienst, auch Dienstleistung, bis zu tausend Mitarbeitern gehabt, also ich weiß auch im Personal, was einen Verantwortlichen, der doch mehr als drei Mitarbeiter hat, bewegt. Also ob das dann Beurteilungen sind, Personalbeurteilungen, auch im öffentlichen Dienst hat man ja ein bisschen so mit Leistungsprämien, Zulagen gearbeitet, dann Learning-Recruitment, also auch diese Themen, aus der Praxis hab ich ein bisschen Erfahrung, Zeitwirtschaft recht viel gemacht, so flexible Arbeitsmodelle, Arbeitswegmodelle und so weiter.

B Vielleicht zur Historie, SAP und HR. Wir haben vor ungefähr 30 Jahren angefangen, HR zu entwickeln. SAP hat ja eher im Logistik-Bereich begonnen und Finanz und so entstand ja dann ERP R/3. Und wie Sie es vorher gesagt haben, natürlich am Anfang

stark Payroll und ich sag mal, die notwendige Stammdaten-Verwaltung dazu, was ja, sagen wir mal Mitte der 80er auch noch relativ überschaubar war. So das hat dann sagen wir mal bis in die 90er auch relativ geklappt, das haben wir ausgebaut, ein bisschen abgerundet und dann kam eben genau durch diesen Schwenk, den Sie beschrieben haben, wie stellt man sich als Personalabteilung auf? Auf der einen Seite Business-Partner, die sich dann wie es ja bei uns jetzt auch ist, ich habe jemand als Ansprechpartner für mich und mein Team, klar, die macht dann aber zwei, drei andere Teams und kümmert sich halt um alles, das ist das Eine. Auf der anderen Seite ja, sagen wir mal so nach und nach Einführung dieser Shared Service Konzepte wie wir es auch haben in Prag, in den USA, in Asien. Und das Dritte, um sagen wir mal das abzuschließen, war ESS und MSS, also Portale für Mitarbeiter und Manager, um den Urlaubsantrag, wo ich de facto keine Personalabteilung brauche, wenn die Konten alles richtig gepflegt ist oder vielleicht mal bei einem kritischen Sonderurlaub. Ja, hat jetzt schon oder fällt das noch drunter mit Kind oder was weiß ich was, aber der ganz normale Erholungsurlaub, 90 Prozent der Sonderurlaubsfälle macht man Antrag, Genehmigung, Genehmigung, zack fertig. Also dieser Dreiklang der hat ja so um die 2000er angefangen, das war auch, wo wir das erste Mal über Portal und ESS/MSS die Lösung angeboten haben. Das war so die Entwicklung, sagen wir mal, immer noch auf das, ich sag mal, administrative operative HR und dieses effizienter auf der einen Seite zu machen, anders zu verteilen. Und das war ja immer so der Gedanke, oder ist er ja heute eigentlich auch noch, die HR Abteilung eigentlich frei zu setzen von diesen lästigen Routineaufgaben, um sie für strategische Personalthemen besser aufzustellen. Was machen wir denn mit der Nachfolge-Planung? Also ein Mal eher der konzeptionelle Ansatz, was wollen wir machen? Wie wollen wir beurteilen? Und wie wollen wir damit umgehen? Also diese ganzen Konzeptionellen, aber und ich denke, das ist auch das Konzept des Businesspartners oder so entwickelt sich, der dann Manager berät und sagt, „da haben wir doch, und wie können wir?“ und bei Stellenaussetzung, Nachfolge-Planung also wirklich auch im Dialog ist mit eben dem, dass vielleicht ein Recruiter eingeschaltet ist oder Ähnliches. Und eigentlich, so verstehe ich es zumindest, dass auch der Businesspartner wirklich diese Leute ein bisschen kennt und vielleicht mal aktiv auf den Manager zugehen soll. Da haben wir doch einen, drei Mal übersehen und der wandert uns vielleicht ab, können wie den mal Richtung Manager bringen oder Fachkarriere, weil er gerne Projekte macht, oder will er vielleicht gerne ins Ausland. Also auch dieses wirklich Personalabteilung, diese qualitative Personalarbeit. Und das hat auch dazu geführt, dass man gesagt hat, „na ja, aber diese ganzen Prozesse, diese Talent-Management-Prozesse, die werden ja nur regelrecht rudimentär unterstützt. Klar, es gab immer irgendwie geartete

Recruiting-Lösung und es gab irgendwie geartete Learning-Lösung, aber Performen, Talent, Development, Compensation vielleicht auch noch, das war alles so irgendwie aber nicht rund. Wir haben dann mit mal 2005, zwei sieben, Carrier on Demand, also die Talent-Management-Lösung entwickelt, weil das war eine Marktnachfrage. Also es war keine Entscheidung von SAP, wir gehen in die Richtung Talent-Management, sondern wirklich massiv vom Markt, baut doch mal was. Und dann haben wir angefangen Konzepte zu entwickeln und dann wird das Richtung zwei zehn, zwei elf, zwei zwölf (Modulnummern) relativ konkret.

Auf der anderen Seite hat Success-Factors als ein Wettbewerber, kann ich ja auch sagen, uns einfach immer mehr abgeschlagen in Ausschreibungen, ne? Und dann gibt's halt zwei Möglichkeiten: waren wir schon relativ weit voran, aber irgendwie war dann Success-Factors wieder schneller was neues Besseres gebracht. Ich glaube, letztendlich so macht man es richtig, im ersten Wurf gleich, weil wahrscheinlich brauch man ja in paar Jahre mit Ko-Innovation, mit Kunden, bis man es richtig rund macht.

Und weil es einfach auch jetzt so um zwei zehn, zwei zwölf (Modulnummern) Workforce 2020, Five Generations, immer mehr auslagern, so viel neue Schemen waren, hat man gesagt, „wir müssen jetzt relativ schnell am Start sein.“ Also: haben wir kurz vorm Launch alles an Eigenentwicklung eingestampft dann, zwei Monate vorm Launch und Success-Factors gekauft, als Marktführer im Talent-Management-Bereich hat zwei Vorteile:

Komplettes abgerundetes Portfolio in der Cloud, immer recht große Kundenbasis, um Feedback zu sammeln von Kunden und ich sag mal wirklich diese Best-Practice auch in der Lösung mit zu verankern und wirklich durch und durch Cloud-getriebenes Geschäftsmodell. Da wollten wir hin, wo die schon waren, in der Cloud. Also nicht ab von Lizenz-Maintenance, sondern Subskription, agiler, anders also das war auch das, was sagen wir mal, aus Vorstandssicht, wir haben ja auch Ariba gekauft, oder einfach mehr diese Cloud-DNA bei SAP reinbringen durch ja auch nicht so kleine Akquisition mit vier Milliarden plus minus jeweils, ne? Und auch Mitarbeiterzahl, die war ansehnlich, aber das war mit natürlich neben dem rein fachlichen, dass man gutes Lösungs-Portfolio in der Cloud im HCM-Bereich haben oder auch, dass sich auch diese Cloud-DNA mehr und mehr in SAP zu verfestigen, weil der Markttrend dahingeht.

Sie sehen es ja, glaube ich, Cloud ist halt, ist schon das, was mehr als nur ein Hype für die nächsten zwei, drei Jahre ist. Also das war so klassisch administrativ, ESS/MSS, Portale, dann kam immer mehr Talent. Weil man eben den Mitarbeitern mehr einrichten möchte, dass sie sich eins zu eins in Performance finden; also nicht mehr, erst mal

setzt man sich zusammen am Ende des Jahres, sondern Ziele können auch unterjährig, online, ongoing, dann kann man sich mal zusammensetzen für einen Review, kann da mal Track-Status, Daumen hoch, runter, bisschen was machen. Succession ganz, ganz wichtig, welches sind die Schlüsselpositionen? Wo will ich Nachfolge-Planung? Ist jemand vorhanden, wenn dann der Stelleninhaber weggeht?

Also sehr viele Sachen und dann jetzt bei Success-Factors unterschiedlich oder im Unterschied zum, sagen wir mal traditionellen SAP, wo man ja gesagt hat, es geht um ESS/MSS irgendwann mal oben drauf. In der Cloud war da immer schon so, es ist per se ESS/MSS immer da.

Also das ist nichts getrenntes, man steuert es eigentlich nur durch Berechtigungen für die Rollen auseinander, dass man sagt, „klar, der Mitarbeiter kann Urlaub nicht genehmigen, der kann nur beantragen, aber der Manager kann natürlich beantragen, weil er das auch braucht, aber zusätzlich genehmigen, darf aber nur sein Team sehen und er HR-Businesspartner darf halt alle Teams sehen und was weiß ich, ein bisschen mehr und so weiter.“

Aber die Philosophie ist, es gibt eine Oberfläche für alle, möglichst benutzerfreundlich intuitiv und es wird eigentlich nur durch Rollenberechtigung auseinander geschürt, das ist das Eine, das Zweite...auch mehr, ich sag mal, dieses interne Self-Marketing. Also wir haben ganz stark gibt es so einen Employee-Profil jetzt, dass ich selbe mich im Unternehmen darstellen kann...frei, wie ich es möchte, mit Bild, mit Hintergrundmotiv, also wie eine eigene Homepage im Intranet und man kann drüber lachen und sagen, „hm, brauchst Du das? Und das ist Spielerei.“

Aber was wir jetzt schon sehen, dass das doch von den Jungen sowieso genutzt wird, weil sie haben einen Link mit dem Facebook-Account, das ist praktisch so eine interne Linked-In...na ja Facebook weniger aber Linked-In.

Kann übrigens auch den Content komplett übernehmen per Mausklick, hat man sich die Arbeit gespart (lacht). Weil ich glaube, wir haben auch mit der Uni Wiesbaden so ein Projekt gemacht, Mobiles und die Studenten, die so 20 sind, wir haben so ein paar Sitzungen gehabt, mit denen haben wir uns dann unterhalten.

A sind die viel weniger gehemmt, klar durch Facebook und alles, doch recht viel von sich preiszugeben. Zumindest im Unternehmen jetzt nicht nur, okay bei Linked-In ja auch eigentlich.

Das Zweite, auch viel mehr: Ich bestimme meine Karriere, also nicht der Manager managend meine Karriere und ich warte da, bis man mal sagt, „ja möchtest Du nicht

mal hier, da und da“, sondern „ich möchte das“ und da gehört natürlich auch dieses Selbst-Marketing dazu und dass man sagt, „neues Update, hab das erworben aus Seminar XYZ“ und so weiter.

Der angenehme Nebenaspekt ist, das beliebteste Prinzip in der EDV ist ja bekanntlich shit-in, shit-out, sprich, wenn ich eine schlechte Datenbasis hab, kann ich nichts auswerten. Wenn die Mitarbeiter eigenes Interesse haben, ihr Profil, ihre Skills, Qualification, Projekterfahrung, was auch immer, AKTIV zu pflegen, dann ist die Datenqualität eine ganz andere. Das ist, wie wenn ich irgendwo was zwangsweise in irgendeiner Software eingeben muss, weil ich bei Amazon was bestellen will, was sagt, das interessiert mich nicht, mache ich „Sonstiges“ oder das erst Beste oder irgendwas. Wenn ich aber sag, „das will ich, das brauche ich für mich, weil für mich hat es einen Mehrwert“, dann sind die Daten akkurat.

Ich glaube, das ist das, was bei dieser ganzen Usability und auch mobil, ich kann es schnell machen, es geht einfach, es ist reduziert auf das Wesentliche. Was noch gar nicht so gesehen wird Richtung welchen qualitativen Mehrwert man dadurch hat, möchte nicht sagen, Richtung gläserner Mitarbeiter, aber Transparenz einfach in die Workforce.

Wo haben wir denn Bereiche, da brauchen wir uns keine Angst machen, da ist der Pool so groß, da haben wir genügend. Aber wo ist es wirklich eng? Wo müssen wir wirklich ran, suchen, schulen.

Und das natürlich wieder Rückschlüsse für die Personalabteilung, also im Sinne von Up-Skilling, Cross-Skilling kommt der Vorstand, sagt, „wir müssen mehr in die Märkte, neue Produktlinien“ und dann haben wir schon eine andere Basis, kann sein, „ja wir haben so und so viel Leute, die haben die Skills schon. Da brauchen wir uns keine Gedanken machen.“ Und das ist ja immer das, der Vorstand kommt und sagt, „nicht nur die klassische Frage, wie viel Leute haben wir weltweit? Man weiß es nicht. Oder wie hoch ist der Frauenanteil? Frauenanteil in Führungsposition?“ Das weiß man nicht und braucht eine Woche lang.

Sondern auch diese eher qualitativen Fragen, wie schnell könnten wir auf diesen Trend reagieren, wir haben da gerade ein Business-Case oder, oder, oder. Und wenn ich da wirklich in die Lage versetzt werden würde, da sind wir noch nicht, und die Unternehmen und ich das mir wirklich hier auf dem iPad als HR-Chef-Verantwortlicher in so einer Runde sage, „wir haben.“ Also Mexico ist nicht das Thema, diese Skills sind nicht das Probleme, die Reise-Willigkeit, wir haben so und so viele, die bereit wären Expat mal zu machen und so weiter und so fort.

Ich glaube, dann hat HR einen anderen Stellenwert im Sinne von, „ich trag direkt zum Unternehmenserfolg bei“ und nicht nur mittelbar und das ist immer dieses reaktive administrative, man muss einen Auftrag geben, nach einer Woche kommt ein Ergebnis, ich sag mal sehr ähnlich wie beim Sales und Marketing, ich möchte jetzt den Forecast, ich möchte jetzt wissen und so weiter und nicht nach einer Woche. Also im CRM-Bereich ist es eigentlich logisch, dass es auf Knopfdruck geht und im HR hängt man da doch noch deutlich hinterher. Also das war jetzt mal so ein bisschen ausführlich, entschuldigen Sie.

I Nein, wunderbar. Wir sind ja da ja schon im Großen und Ganzen bei diesem neuen Schlagwort Big Data, also der Verknüpfung von allem mit allem. Wie würden Sie die Mitarbeiter motivieren, denn dann die Sachen zu machen? Oder ist es ein Selbstläufer?

B Also ich glaube, das ist dann ein Selbstläufer, wenn die Unternehmenskultur – und man muss einfach oben anfangen – Vorstand vom Kopf her, oder was weiß ich was, wenn Führungskräfte solche Informationen nutzen und sagen, „Du hast doch in deinem Profil das und das eingegebenen, möchtest Du?“ Da sagt der, „der guckt ja drauf, das interessiert ja jemanden. Da nimmt das ja jemand wahr, was ich eingegeben.“

Oder die Personalabteilung macht eine Auswertung, wie viel Leute haben wir, die Java-Skills besitzen, oder wie viel Leute haben wir, die wirklich einen kaufmännischen Beruf gelernt haben? Oder einen Ingenieursberuf. Oder, oder, oder, und wenn man dann wirklich aktiv auf die Leute zugeht, entweder ein Manager braucht jemanden für ein Projekt und sagt, „Du hast doch genau die Qualifikation, ich habe das mal gesehen, würde Dich das nicht interessieren?“ Oder die Personalabteilung, der Businesspartner sagt, „wie sieht es denn bei Dir aus? Du passt eigentlich sehr gut in den und den Bereich rein, das wird bei uns ein wachsender Bereich sein. Würde es Dich nicht in den Bereich mal bewegen wollen?“ Dann sagen die Mitarbeiter, „ja“.

Das sind die Sachen, die sich rumsprechen im Unternehmen, so schnell kann man gar nicht schauen. Wenn da natürlich so nach dem Motto, „ihr müsst euer Profil pflegen“ und sechs Jahre höre ich nichts davon, außer dass dann ich mal ein schönes Bild reingestellt hab und da steht dann „zu 98 Prozent completed“, dann ist das eine Todegeburt. Also ich glaube, es hängt ganz stark mit dem zusammen, ob ich diesen Mitarbeiter-zentrierten Personal-Management-Ansatz, eine Mitarbeiter-zentrierte Personalstrategie aktiv lebe und Instrumente, die es gibt nutze, oder ob ich Business as usual mache und natürlich oben irgendwo sage, „wir haben jetzt eine Mitarbeiter-zentrierte Personalstrategie und ich kriege als Mitarbeiter nichts mit.“

I Außer der Telefonnummer, die anzurufen ist.

- B Genau und Office ist da und so weiter, genau. Und ich glaube das gilt aber ja, das ist ja nichts für, das ist, wenn ich sag, „naja Vertriebsansatz, ne?“ Wenn man es vorlebt und sagt und da ist natürlich auch immer das Thema, „weniger ist mehr“, ich brauche nicht so viel machen, wenn ich das, was ich mache, richtig mache. Und ich glaube, das hat dann recht schnell so ne Positiv-Spirale, wenn man das richtig angeht.
- I Könnte das ein Grund sein, warum es immer wieder, egal wo, egal auch von wem, Untersuchungen veröffentlicht werden, der Anspruch, das Personalwesen wird dadurch strategischer, schneller, weiter, höher, bunter, besser, sich in der Realität sich überhaupt nicht wirklich nachvollziehen lässt?
- B Ich glaube, es liegt dann an der Leitung einer Personalabteilung selbst, also dass die so ist, würde ich sofort unterschreiben mit nur Ausschlägen nach unten. Und ich glaube, das ist die zentrale Herausforderung, wenn ein Personalleiter sich mit seinem, sagen wir mal, direkten Mitarbeitern, hinsetzt und klärt: wie können wir aus diesem reaktiv Kram raus? Wir wollen diese strategische, wir wollen mehr Unternehmen, direkt zum Unternehmenserfolg beitragen. Wie können wir das schaffen? Das heißt, ich muss meine Unternehmensstrategie verstehen. Sind wir in einer aggressiven Wachstumsstrategie, oder wollen wir eher organisch wachsen? Oder sind wir sogar in manchem Bereich, wo wir noch schrumpfen müssen, weil es einfach ausgelutschte Märkte sind, die halt durch sind, von Fernost aus bedient werden, da müssen wir es zurückziehen und, wenn ich das verstehe kann man sagen, „und jetzt, wie können wir einem CFO, und wie können wir unserem Produktions-Chef, wie können wir unserem Vertriebs-Chef, wie können wir ihnen wirklich aktiv helfen? Was brauchen wir? Wo müssen wir Antworten liefern können?“ Also das wäre dann so Analytics. Wo müssen wir Service anbieten können? Und das dann aber operationalisieren, ich glaube, das ist oft das Thema auch was fehlt, Change-Management in der HR-Abteilung, Businesspartner per se zu inthronisieren bringt ja mal gar nichts, ne?
- I Ist eine schöne neue Visitenkarte.
- B Genau. Wenn ich aber sage, „Du bist der Personalberater im Positiven und pro-aktiven Sinne für eine Anzahl von Mitarbeiter plus Manager, Teams, Abteilung, was auch immer“, das ist, denke ich, mal einfach auch ein Lernprozess, dass man sagt, „ich stell Dir Werkzeuge zur Verfügung, Du siehst, wie steht es da. Junge, Alte, wen könnte man Nachfolge-Planung, welches sind die Schlüsselpositionen?“ Und wenn die dann mit den Managern vielleicht am Anfang der meint, „weiß ich doch alles, was will der mir was sagen“, aber ich denke, am Schluss ist es schon so, wenn so ein Dialog entsteht,

dass die Manager irgendwann, glaube ich, geht schon mal der Schalter um, warum kümmer ich immer selber um das, der macht, das ist doch eigentlich sein Haupt-Job. Ich kann mich ja selber auch entlasten, indem ich sage, „wir wollen, alle Quartal möchte Status, wo, was, wie, risk of loss, impact of loss, macht mal was.“ Dann wieder der Rückschluss vielleicht, die Software kann es noch nicht, weil Software per se nicht so gut ist derzeit oder weil die Datenbasis schlecht ist. Ich glaub, dann kommt also auch so eine Positivspirale. Also ich glaub schon, dass die Personalabteilung selber, wenn dieses Selbstbild und auch Fremdbild da ist, selbst aktiv dran arbeiten muss.

Es fängt immer damit an, wenn ein CEO versteht, dass die Personalabteilung ihm wirklich im Kern-Business Probleme beisteht, dann hört er zu. Wenn die sagen, „wir brauchen ein neueres besseres Learning“, dann sagt der „ja“. Aber wenn man sagen kann, „ja, wir haben jetzt die Möglichkeit, also wir haben das mal mit einem Case durchgespielt.“

Case Bohrinself: Die haben oftmals so Sammelstellen, fahren sie noch mit dem Bus auf einen Heliport eine Stunde. Und vom Heliport auf die Bohrinself. Beim Einsteigen in den Bus stellen die fest, dem seine Qualifikation ist abgelaufen und das ist ja mit EH und S ganz streng bei sowas, ne? Wenn er sie nicht mehr hat, bleibt er da.

I EH und S?

B Environment, Health and Safety. Also die ganzen, muss diese Qualifikation, um dann auf die Bohrinself kommen zu dürfen. Da haben wir gesagt, „okay, wenn das was wäre, was sich auf dem iPad in einer Stunde durch ein E-Learning machen kann, dann setze ich den in einen Bus, da sind immer vier iPads drin, der macht das, hat das Zertifikat, fliegt mit.“ Fakt heute müssen die jemand bereit stellen, haben Springer, das kostet denen, so ein Austausch, vier bis 5.000 Euro pro Nase. Bedeutet, vielleicht fünf Mal im Monat pro Plattform, zehn Plattformen, da kann ich ganz schnell komm ich auf signifikante Millionenbeträge, wo ich sag, „jetzt weiß ich, was Learning mir bringt. Ich spar mir wirklich Geld.“ Ich spar mir wirklich Geld, weil das hat alles ja Compliance Gründe dort, muss gemacht werden. Wenn ich mit solchen Szenarien als Personaler komm und sage, „ich habe da eine Idee, wo wir wirklich Geld sparen.“

Es wird auch immer wieder diese soften, also dieser Employee-Engagement-Index. Aber ich glaube, das wird dann wenn man zwei, drei harte Business-Cases rechnen kann und wenn man dann on top noch sagt und das insgesamt führt dazu unser HR-Transformation, dass auch die Mitarbeiter Bindung insbesondere dass die größer wird. Ich glaube, dann würden Sie auf den CFO zugehen. Die CFO wird sowieso zusagen, weil sie können wirklich Geld sparen und das ist nicht dahin gelogen wie sonst

manchmal. Und ich glaube, dieses zu verstehen das ist als Personaler das aktive gestalten und nicht dass ich Befehlsempfänger bin und muss dann halt irgendwas umsetzen und Hauptsache die Payroll funktioniert und dann kriegen wir keine Beschwerden, ich glaube, das ist das Erste.

Das Zweite – und das ist, glaube ich, das, warum Cloud auch so nachgefragt wird, die Unternehmen, die das verstehen, wissen, dass man das mit Cloud schneller erreichen kann. Also das ist auch so was, je, ich sag mal, innovativer so Personalarbeit in einem Unternehmen angegangen wird, das ist so eine Korrelation ein bisschen, die wir sehen, desto mehr befindet sich der Kunde Richtung Cloud, würde ich sagen. Schneller Szenarien, mehr Mitarbeiter erreichen, auf der einen Seite gerade in dem Tele-Bereich habe ich ja wenig gesetzliche Standards, das heißt, ich kann dann globale Templates auch relativ schnell ausrollen, dann muss ich halt Urlaubsgesetze in Deutschland oder Arbeitszeitschutzgesetz und so weiter, Frankreich ist es eben anders und so weiter.

Also da, das sieht man auch, darum haben wir in mit der Cloud-Lösung Talent schneller Fuß gefasst als im Core, weil es einfach in bisschen weniger Restriktionen gibt, was gesetzliche Anforderungen anbelangt. Aber ich glaube, das ist so was, was wir feststellen, je innovativer die Personalstrategie, desto eher Cloud, weil sie einfach merken, „ich kann es schneller umsetzen. Ich bin agiler.“

Das ist auch so ein Trend, den wir einfach sehen. Ich kriege es theoretisch auch hin, das kostet in der Summer wahrscheinlich auch nicht viel mehr.

I Denken Sie, dass der Weg auch noch sein wird, dass man diese physischen Server-Lösungen auch noch mal irgendwann alle in die Cloud reinschiebt?

B Ja. Also wir haben drei Szenarien oder eigentlich vier.

Das Eine wäre komplett alles im Keller, sag ich mal... On-Premise wird über...also stirbt jetzt schon aus, da ist eher die Frage, wie schnell....der (Zurichtung?). Das ist das zweite Szenario Hybrid, im Keller, Talent in der Cloud, Recruiting, Performance, Learning, On Bording Succession und so weiter. Das ist das, was wir machen. Success-Factors hat ja 4.000 oder dreieinhalb Kunden, wo wir sie übernommen haben, schon gehabt in diesem Talent-Bereich.

Wir haben ja 14.000 HR-Kunden.

Klar, die Masse, Stammdaten, Zeitwirtschaft, Payroll, On-Premise, also dieses hybride Modell ist eigentlich auch akzeptiert. Das sieht man auch, wenn man jetzt auf Messen – nach der Übernahme war es hm, ich glaube überhaupt – das war zwei zwölf (Modellnummer) zum Beispiel, wo ich dort war, zwei 13 (Modellnummer) war dann

hybrid ist eigentlich Haken dran, geht jetzt nur noch drum, liefern wir vordefinierte Integration zwischen On-Premise Cloud, dass das für den Kunden einfacher zu machen ist? Wir liefern auch dann mehr Szenarien aus, dass sie mehr Integrationspunkte haben.

Und dieses Jahr war es jetzt so, dass die Kunden auch sagen, „Full-Cloud“ also alles in der Cloud, ist weniger die Frage ob, sondern ist eher die Frage, wann für uns der geeignete Zeitpunkt ist, oft dem Umstand geschuldet, dass die wenigen ein globales, eine Instanz haben. Die meisten Zukäufe, entweder verschiedene SAP-Systeme mit verschiedenen R-Ständen, dann ist vielleicht noch was von Wettbewerber, dann ist es irgendwo noch ein eigen Entwickeltes und dann ist es eher die Frage, wollen wir da doch auf einer Instanz On-Premise konsolidieren?

Weil wir zum Beispiel sagen wir mal Headquarter, und die größte Niederlassung wäre jetzt bei SAP auch in Deutschland, alles auf ein neues SAP-System 607 gebracht haben und da können wir das Andere schön rein machen, also wir haben so einen Releasewechsler und dann später mal alles in die Cloud bringen oder, wenn wir diesen Weg noch gar nicht so richtig angegangen ist, weil „oh je, oh je, wie kriegen wir das hin?“, dass man wirklich gleich sagt, „dann gehen wir gleich voll in die Cloud.“

Und dort gibt es dann ein Szenario, wir nennen das Side-by-Side, weil eine Zeit lang hat man ja die Cloud und die On-Premise- und Cloud-System für die Stammdaten-Verwaltung parallel und dann macht man halt so ein Role Up Konzept, dass man sagt, „okay, zuerst mal diese Bereiche“, Headquarter zum Schluss zum Beispiel, weil dort die Meisten sind, die sind On-Premise. Ich kann in On-Premise schon noch konsolidieren, kann ja Headcount-Reporting und andere Sachen machen, ich muss ja auch vom On-Premise HR-System noch EHP füttern, Workflows über das Org-Management und andere Dinge, aber ich nehme nach und nach Niederlassungen 1.500 Mitarbeiter irgendwo, die nämlich schon auf Employee-Centre die Core-Lösung in der Cloud. Wir stellen sicher, dass so ein Mini oder wir sagen Extended-Mini-Stammdatensatz immer repliziert wird, dass ich im On-Premise-System nach wie vor, sagen wir mal, einen kompletten Überblick hab über die wesentlichen Informationen und transferier so nach und nach mehr und mehr in die Cloud.

Also für manche ist es dann so. Und diese Side-by-Side ist bei uns eher das, was so ein gefühlter Endzustand, zumindest für ein gewissen Zeitraum ist und für die manchen ist es wirklich nur ein Transformationsvehikel, dass sag, ich bring alles in die Cloud. Gerade jetzt, sagen wir mal in Deutschland so ein bisschen, ich glaube nicht, dass wir unsere ganzen Werke hier in Deutschland , weil halt zu viel mit Zeitwirtschaft, mit

Produktionsplanung, Steuerung verwoben ist, und da haben sie noch die Befürchtung, wenn man das alles in die Cloud bringt, ob das dann noch ganz so funktioniert. Weiß man nicht. Also wird auch die Zeit bringen.

I Das glaube ich auch, definitiv. Das heißt, Sie bieten Speicherplatz irgendwo auf dieser Erde an? (B: Ja) Sind das dann eigentlich Ihre eigenen Servergestellungen?

B Ja, derzeit haben wir zehn Datenzentren, die also SAP, klar auch Übernahme von Success-Factor, aber sind unsere, eins in Rotweil, eins in Amsterdam, in Amerika drei, China mittlerweile, Australien, Neuseeland, jetzt kommen dann halt Russland, Brasilien, Mexiko, die BRIC-Staaten so ein bisschen dazu und das wird, je nach Kundenbedarf wird das wachsen. Wir gehen genau da und da und da rein, das sehen wir dann einfach, wo ist Kundenbedarf? In welchen Ländern wird das stark nachgefragt? Und dann werden wir weitere Standorte irgendwann öffnen. Aber da gibt es jetzt keine Planung bis zwei 20 schon oder so was.

Man immer zwei Datenstandorte, die praktisch dann den kompletten Datenbestand halten. Also das ist schon mal sichergestellt. Das Andere, wenn wir über Cloud reden, dann haben wir praktisch zwei bis drei.

Das Eine ist diese Public-Cloud, wie sie Success-Factors anbietet, das heißt alle haben dieselbe Code-Line. Es hat niemand was anderes. Bei On-Premise ist es ja so, jeder erweitert sein System ich sag mal, wie er gerade lustig ist, modifiziert es vielleicht sogar und ist damit dann im Upgrade fähig, aber kostet dann, kann der Kunde halt selber entscheiden, muss ja auch eine Nutzen-Aufwandbetrachtung machen, aber ist möglich.

I Was wir ja anbieten über die HANA Enterprise Cloud, dass wir sagen, wir nehmen ein bestimmtes Kundensystem und schieben es auch in die HEC, Abkürzung HANA Enterprise Cloud, als Private Cloud. Und dann gibt es noch dazwischen so Managed Cloud, wo wir dann nur, ich sag mal, die Infrastruktur bereitstellen und Application Management, also so eine Zwischenstufe, wo der Kunde noch selber was macht, aber zumindest das Physische schon mal ausgelagert. Also da gibt es so, sagen wir mal, verschiedene Stufen. Je nach Kundenanforderung und Szenario kann dann der Kunde auch wählen, was lieb und wichtig ist.

I Jetzt haben Sie zwei Sachen beschrieben, einmal die technische Applikation der Cloud als schon nicht mehr Zukunftsmodell, sondern schon als existentes Modell, das jetzt stärker nachgefragt wird (B: Ja) und einmal dieser Bereich, Big Data, wo Personalwesen eben befähigt wird aufgrund von verschiedenen Sachen pro-aktiv tätig

zu werden und strategisch auch wirklich tätig zu sein. Ist damit dann Business Partnering abgeschlossen? Kommt danach noch etwas?

B Also das Businesspartnerin, man sagt ja manchmal dieses Stewardship, das ist aber nur, ich sag mal, neue Formulierungen, ein bisschen modernere Formulierung vom Businesspartnermodell oder so.

I Muss ein neues Wort kommen, weil es jemand anders mal wieder was gebracht hat.

B Ja, genau.

Also was ich nach wie vor glaube, so, wie es jetzt aufgestellt ist, dieser Dreiklang aus einfachen Arbeiten, die keine Interaktion von HR erfordern zwischen Mitarbeiter-Vorgesetzte direkt zu machen, ob das jetzt Goal-Setting-Review ist, solche Sachen. Auf der anderen Seite, ich sag mal, hochspezialisierte Sachen dann wieder im Shared-Service-Centern, weil dann kann ich halt dort, sagen wir, geballte Kompetenz aufbauen, das effizient abarbeiten und einen mehr oder weniger lokalen Ansprechpartner HR-Businesspartner, wie er auch immer heißt und das glaube ich mit dem Stewardship, das ist das, wo meiner Meinung nach noch am meisten Bedarf ist, ich glaube so dieses ESS/MSS ist relativ ausgelutscht, das Shared-Service ist oftmals halt, weil es ja um das Konzeptionelle geht.

Finance- HR und so weiter, also dem muss sich halt ein Unternehmen öffnen, aber ich glaube, das ist auch eher ein Haken dran, weil das mehr halt diese Organisationsfrage hat: und wer verliert? Und wo fallen Stellen weg? Wo werden sie zusammengezogen? Das muss man dann im Unternehmen geschickt spielen, dass keiner zu viel verliert. Und ich glaube an dem Businesspartner-Modell an sich wird sich nicht viel ändern. Ich glaube es eher noch die, die wirklich diese aktive, pro-aktiven Rollen-Definition, Rollenverständnis für HR insgesamt das auch zu leben und damit mehr und direkten Einfluss auf den Unternehmenserfolg zu erzielen, plus dann so Payroll und Recruiting als Funktionen, „okay mache ich Recruiting hauptsächlich extern? Ich habe nur einen ganz kleinen internen Stamm.“ Das sind noch so ein paar Sonderfunktionen, die wird es halt auch immer geben.

I Das läuft dann in Zyklen. (B: genau)

B Genau, man sagt ja, die Kontra Zyklen dauern sechs, sieben Jahre bis das so ein bisschen dann runtergeht.

I Hätten Sie gedacht, dass das mit dem BPM so lange dauert?

B Ja und nein, also ich glaube, auf der einen Seite, wenn man die Leute selber fragt, dann würden sie das gerne schneller und aktiver machen. Und nein, ich bin nicht überrascht, deswegen, weil das bedeutet, dass wirklich die Unternehmensmanagementführungskultur auch dahingehend gelebt wird, das ist ein Partner, der mich unterstützt, der mir hilft und nicht, was will der von mir? Der will mich kontrollieren. Das ist so ein bisschen was.

Und das Dritte, es haben Werkzeuge gefehlt und fehlen noch Werkzeuge. Also einmal eher die Datenfütterungsquellen und das Andere sind natürlich Auswerte-Werkzeuge, also wirklich Analytics und so weiter. Und ich glaube, das kommt jetzt so langsam und dann gibt es auch eigentlich keine Ausrede mehr.

I Welchen Zeitrahmen sehen Sie?

B Also ich glaube, wenn man sagt, wir haben jetzt auch gerade so eine Studie gemacht mit Oxford, Workforce 2020. Also ich glaube, wenn man noch fünf, sechs Jahre geht, dass man sagt, „die Werkzeuge sind nicht hundertprozentig, aber doch weitgehend verfügbar, die Mitarbeiter sind anders in Personalprozesse eingebunden, die Manager verstehen das auch mehr, dass Personal sie ent- und nicht belastet. Die Personaler selber nehmen die Rolle mehr an und wollen sie aktiv leben.“ Ich glaube, wenn man da noch mit so einem Zeitraum von fünf Jahre redet, ich glaube, da tut sich schon noch mal was. Also man sieht auch, dass auch für diese CEOs HR nach wie vor Priorität hat.

Wir haben so drei, vier Gründe. Das Eine ist 33 Prozent Externe im Schnitt, Talent ist auch beim CEO im Kopf und diese Five-Generation Thematik und Workforce, also wie gehe ich mit den ganz unterschiedlichen Leuten und Anforderungen um? Da muss ich viele Werkzeuge, viele Möglichkeiten anbieten. Ich glaube, dass das schon so ist, dass HR auf der Agenda auch beim CEO ist und er von HR antworten will. Das kriegt man auch oft was widerspiegelt, wenn Kundentermine bei uns sind oder wir hingehen, ja wir sind jetzt dabei Agenda 2020 für das Gesamtunternehmen und HR muss folgen, den Beitrag leisten, unsere Wachstumsphilosophie oder –strategie unterstützen, eins, zwei, drei, vier. Und die haben oftmals dann schon diese erste Ebene formuliert für HR und kommt jetzt so in den Modus, welche Tools braucht man? Wie wollen wir uns aufstellen? Und welche Software kann uns unterstützen? Also das finden wir schon, dass da gerade so ein Wandel ist, bis die das beschafft haben, bis das eingeführt ist, bis das gelebt wird. Sind, denke ich mal, fünf bis sieben Jahre dann realistisch.

I Okay, gut. Würden Sie mir diese Workforce 2020 zukommen lassen?

B Ich weiß nicht, was wir da veröffentlichen dürfen. Ich kann noch mal schauen, die wurde jetzt halt erst auf der Success-Connect letzte Woche in Las Vegas vorgestellt, öffentlich, also intern ist das schon ein bisschen länger. Also zumindest, die Slides, die jetzt in so einer Keynote gezeigt wurden und die Sachen, die, denke ich, das ist unproblematisch, aber ich glaube, die ganze Studie, ich muss mal Kollegen fragen, die damit involviert waren.

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