Changing Role of HR – A Comparative study of different organization structures in relation to HR & the motivation behind them

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Abstract

Since its big breakthrough in 1980 starting in America (Bredin, 2008), we see yet another shift from traditional to Strategic Human Resources which were basically about two normative model “best fit” vs. “best practice” and their implication in business organizations (Boxall & Purcell, 2000). Scholars like Ulrich (1997), suggested ways about how Human Resource (HR) could contribute in the search for competitive advantage by advocating new organizational structures and roles such as HRSSC (Human Resource Shared Service Center) or the new role of HRBP (Human Resource Business Partner). These new roles and structures can be seen as an extension of “best fit” vs. “best practice” thinking and provide with a tool to cope with challenges faced by today’s organizations.

The first and foremost objective of this paper is to come up with a reasonable understanding about these different changes in roles and structures of HR. To do this, it puts the whole change process under “organizational evolution theory” lens and analyzes the whole phenomena to figure out “where do these changes come from” and “what is the implication of these changes for practitioner managers”. To be more
precise, this paper applies ecological perspective at organizational and population level suggested by Lovas & Ghoshal (2000) and provides a starting point for future research to apply what Lovas & Ghoshal (2000) called “Guided Evolution” perspective. The next objective of this paper is to check if it is possible to come up with a Key Success Factors (KSF) which would work across different business environments and come up with implications for today’s organizations accordingly.

In addition to an extensive literature review, the thesis conducted four semi-structured interviews with three large companies in Sweden applying “qualitative research interview” technique and then analyzed the data with adding more data from other secondary sources.

The findings of this work suggest that, the whole change process corresponds to a “variation” cycle of the evolutionary process which should eventually move to a “selection” cycle. The choice and success of these new structures and roles are dependent on factors such as corporate strategies, adequate knowledge of HR or presence/absence of competition and finally suggest that success factors vary from environment to environment and thus it is not possible to come up with a set of Key Success Factors (KSF) which would work across cultures and business environments.

**Keywords:** Human Resource, Business Partner, Shared Service Center, Evolution, Changing role of HR.
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1. Introduction

Aim of this chapter is to introduce to the concept of Human Resource Management. This chapter starts from introducing short background. It is followed by the problem discussion and which will turn into the purpose and objective of this master’s thesis. Here, the purposes of this study are provided and the research questions are developed. Finally, scope and delimitations as well as disposition of thesis are presented in this chapter.

1.1 Background

Human Resource Management (HRM) as a concept gains its big breakthrough first in North American literature in 1980 (Bredin, 2008). This big breakthrough was a result of discussion between personnel and human resource management where one school of thought argued that the HRM term actually represented a new philosophy, a new paradigm which was fundamentally different from traditional approach to personnel management (Kaufman, 2007). Since the acknowledgement of human resources, scholars like Beer, Spector, Lawrence, Mills, & Walton (1984) emphasized the importance of innovating in HRM practices in order to survive the greater competition and shrinking economic pie. According to Boxall & Purcell (2000), since the mid 1980’s, students, business executives and academics have been debating what it means to take a strategic approach to HRM (or the Strategic HRM).

The term strategic human resource management (SHRM) implies strategic choices associated with labor processes in the firm which are inevitably connected to the performance of the firm (Boxall & Purcell, 2000). Theoretical and research debate aroused along with the trajectory of SHRM development about how should firms make strategic choices in their labor management which basically talked about two normative
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models namely the best-fit model and the best-practice model (Boxall & Purcell, 2000). The best-practice model is described as based on the assumption that there are generally applicable common HR practices or HR systems that always lead to performance boost (Bredin, 2008). This model tends to ignore or emphasize less on the context and internal synergies among practices and focus more on the parts of HR management practices that seem to be more applicable than others (Bredin, 2008). On the other hand, the best-fit school, also refers to as contingency school, argues that organizations HR strategy will be more effective if it is aligned with its specific environmental and organizational context (Boxall & Purcell, 2000). According to Baird & Meshoulam (1988), the best-fit model implies that HR activities or the practices must fit the organizations stages of development. Thus, it takes into account the significance of environment it is operating in and the stages of maturity the organization (start-up, growth, etc) is in. Baird & Meshoulam (1988), also argue for a need for an internal fit (otherwise known as horizontal fit) and an external fit (otherwise known as vertical fit), where vertical fit refers to the extent of fit between the firms overall strategy and its HR policies and practices whereas internal fit refers to the fit between individual HR policies and practices (Bredin, 2008; Boxall & Purcell, 2000).

In recent years, there has been a significant increase in the outsourcing and off-shoring of business services (Gospel & Sako, 2010). In the 1990’s, many large firms began to de-diversify their business process, selling off unrelated businesses (Gospel & Sako, 2010). According to Gospel & Sako (2010), these years were the starting mark of human resource outsourcing as well. In addition, other forms of service delivery model also began to surface such as “Insourcing”. Literatures on this issue suggest that there has been a number of reasons for why business organizations choose to “Outsource” or “Insource” their activities; dominant of these reasons are, cost savings, seeking better services and strategic concerns (Shen, 2005).

However, there are some researchers argue that today businesses no longer need to question whether to outsource or insource, yet they would better emphasize on which functions and processes can be done (Tompkins, 2005). It is now clear that these approaches are viewed as a business imperative allowing organizational functions to
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gain better competitive advantage. HR department becomes to play more strategic and value creating role as can be seen from a widely shift in HR functions and its role and structure within organizations.

The role of HR and the structure of the HR department have been evolved significantly in recent years. Organizations are creating separate structures for HR as well as different roles for HR professionals. For instance, Shared Service Centre (SSC) approach towards HR is a common phenomenon nowadays. In addition to this, HR professionals are being treated as Internal Business Partner which indicates a shift in the definition of role of HR professionals. They have been moved from purely administrative function into a strategic partner. These changes are not the choice of HR function but they are forced to change because of the significant changes in the business environment (Lawler, Ulrich, Friz-enz, & Madden, 2004).

1.2 Problem Discussion

In today’s rapidly changing global business world, companies are facing more complex and competitive environment. Companies are no longer able to see their fortune (Hosking, 2006). Executives and managers will increasingly need to think and act with a sharper business-mind. Human Resource departments must recruit, train, and retain the most talented people while at the same time, improving organizational competencies and capabilities. Being successful in Human Resource Management requires not only the capacity to observe a competitive fast changing environment, but also the ability to adapt and work in such conditions. Ulrich, the most famous management educator and the most influenced person in HR suggests that to deal with these difficult challenges, organization should move away with HR and apply four new strategic HR roles; Strategic partners, Administrative Experts, Employee Champions, and Change Agents (Ulrich, 1997). The model is the process of aligning HR strategy with corporate strategy. It is claimed that regular use of this model naturally increases the flexibility of
the organization and manages organizational change more effectively. After studying about these changes rigorously in the literatures, we came to the conclusion that most of the new organizational structures and roles in HR are a result of applying Ulrich (1997) model into strategic HR. The most common forms of organizational structures and roles are Human Resource Business Partner (HRBP) and Human Resource Shared Service Center (HRSSC).

The HRBP role is one of the goals of human resources and becomes the latest and most recent trending topic. HRBP job is now widely seen in HR recruitment website or job advertisement. The reason behind the development of HRBP role is to deal with high level strategic delivery (Hunter, Saunders, Boroughs, & Constance, 2006). HRBP creates the people strategy for meeting current and future human resource needs and provides the right resources to help the company achieve success in reaching their business goals. It seems that this model can bring clear benefits for the organization and can provide a positive impact on the organizational efficiency, people management skills and the shorter response time from HR employees, however we can easily find that this new role in many companies has been ineffective.

Furthermore, a wide range of global organizations from all sectors have developed shared service center especially in HR. It is set up in order to become and focus on administrative expert. It provides both administrative excellence and organizational focus which enhance financial efficiency and HR credibility (Hunter & Saunders, 2005). It is a single unit which handles all of the transactional HR services such as compensation, benefits, payroll, organizational development and performance management. The idea of a SSC is to provide better service quality and low-cost HR administration, freeing up time for HR to become more strategic in its thinking. Almost companies rush into shared services to save costs but some have failed to realize the benefits of shared services model that many other companies have successfully realized. Moreover, some companies return to their traditional HR departments or in severe case, the whole HRSSCs are closed down.
However, a careful study of the literature suggests that there is little or no evidence as to what specific factor in the external or internal environment causes organizations to opt for one particular organizational structure. The major concentration of many literatures in this field has been to outline the benefits and advantages that each option provides and the reason why it makes sense to implement these models. This spurs the interest for us about these phenomena where we want to understand the change process in organizational structures and roles as a whole which would go beyond a mere presentation of what benefits these structures provide and answer questions such as “What kind of a change are these?” and “How organizations should formulate strategies in order for facing these changes successfully”.

1.3 Purpose and Objective

We in this paper are particularly interested with “Insourcing” especially HR business partner and HR shared service center as this is comparatively a recent phenomenon in the industry and we believe studying the trend in this issue will give both academics and practitioners valuable insight about HR Insourcing. As we saw in the problem discussion, there is a lacking in understanding the change process as a whole in the literatures; so, we, to made it our objective and as a result, tried to come up with an analysis which would provide both academics and practitioners with insights about the change process as a whole and which should in turn help both the parties to come up with suggestions about how best to formulate strategies in order for coping with this change process.
1.4 Research Question

In conjunction with the purpose of this research we have the following research questions:

- What kind of a change process is it that taking place regarding HR roles and organizational structures?

- What impact does this change process have on the choice and success of these new roles and structures?

- What factors are most important for this change process to operate?

In addition to understanding the change process, we want to know:

- What factors make one particular structure to be attractive and to be chosen over other structures?

- Does the success of these structures depends on the environment the business operating in, if so then what are the most important factors?

- Is it possible to develop a Key Success Factors (KSF) for these new structures that would work across different environments the businesses are operating in? If so, then what are they?
1.5 Scope and Delimitation

The scope of this research is limited to three organizations we studied in Sweden, although we have included data from other secondary sources in order to achieve “triangulation” for this research work. However, most of the data we have used for this work are from European perspectives, more precisely Scandinavia. So, there may be a problem with transferability of this research’s result outside Scandinavia or Europe. One of the most important limitations of this work is its lack of ethnographic focus which is very essential when understanding any change process well and which could not be done due to lack of time and money. Due to the same reason, more interviews could not be conducted which could provide more in-depth data about the phenomena.
1.6 Disposition of the Thesis

- This chapter intends to introduce background, problem, purpose of this thesis. It explains the reasons for why the chosen subject is of great interest and to whom. Here the research questions are presented and the limitations are discussed.

- Aim of this chapter is to present a brief summary of previous research in this area regarding the purpose of this study. In this chapter, we starts with the evolution of HR and then narrows down to specific HR role and structure.

- The aim of this chapter is to familiarize readers with research process in minute details. It starts with author’s view of the world followed by a detailed section of the whole research design and ends with a conclusion of the research outcome.

- This chapter presents the data found from interview. The chapter starts with an introduction of the companies and interviewees. Individual companies are catagorized into two groups for interpreting. In final part of this chapter, comparision between two groups is described.

- Here, a thorough and comprehensive analysis of the data with respect to literature review is given in order to augment the understanding of the phenomena more deeply. The chapter ends with implication of the findings and conclusion.
In this chapter, we present readers the introduction to our thesis. The next chapter is going to provide the related concept about HR strategy, HR business partner and HR shared service center.
2. Literature Review

In the previous chapter, the introduction of this thesis was presented. This chapter provides readers with an overview of Human Resource Strategy which has already been studied in the literature in this particular subject area in order to discuss about the changing role of HR. The authors shortly illustrate the evolution of HR and the new role model of Human resource management. The literature review chapter continues with the concept of HR business partner and HR shared service center including the backgrounds, definitions, roles and reasons of implementing these approached. The final section of this chapter discusses the advantages and barriers of HR shared service center.

2.1 The Evolution of Human Resource (HR)

The dramatically changes in organization and business environment of the last decade have attracted attention of company’s top executive management on the need to search out, establish and utilize competitive advantage for business existence. The emergence of new information technology, the growth of global competition, and the increasing of knowledge workers lead to broader perspectives and create new opportunities for organizations. As a result, organizations have had to pay even more attention to customer services and to the need for quality improvement. They have concentrated on bringing new products into the market to stay one step beyond the competition and to maximize their efficiency. However, these traditional methods to competitive advantage are undoubtedly necessary but not sufficient to bring a sustained competitive advantage. Companies must recognize and build organizational capabilities through better deployment of human resources in order to gain sustained competitive advantage (Schuler & MacMillan, 1984).
HR departments which leverage the greatest competitive advantage from the organization’s truly most important asset have also struggled through a difficult time during this turbulent change. Ulrich (1997) addresses that HR are now facing eight major challenges which are globalization, responsiveness to customers, increasing revenue and decreasing costs, building organizational capability, change and transformation, implementing technology, attracting and developing human capital, and ensuring fundamental and long-lasting change. These challenges place the significant demands on the HR professional and lead to alteration in the roles and structures of HR and the way it delivers services.

Human capital and workforce management issues have long been debated in the literatures over the years. In many organizations, labor costs are generally the largest expenditures. In traditional HR function, people are seen as a source of cost and expense which has to be controlled. From the emerging vision of an HR professional, companies now recognize human resources as the greatest assets to be exploited rather than cost and as an important resource of the organization. Most organizations are now emphasizing on improving their HR strategies which enable the engagement of their employees to drive the success of entire business. In consequence, HR function faces increasing expectations in the delivery of Human resource management services that involve long-term investment in people and response to cost problems. Organizations take different approaches such as downsizing, restructuring, outsourcing, offshoring and redesigning the way they operates in an attempt to lower the costs from economies of scale and scope, and to ensure their remains competitive and efficient. Each of these efforts has a huge influence on HR policies and practices which force the HR function to rethink and organize itself to respond and support these new challenges.

2.1.1 Evolutionary theory for organizational change

When applying evolution or biological evolution in the field of organization or business, scholars takes many standpoint as to how it should be defined and applied in the context of organizations. However, we see an increasing interest among scholars of organization
theory to use ecological and evolutionary perspectives in recent years (Lovas & Ghoshal, 2000). According to Lovas & Ghoshal (2000), evolutionary and ecological perspectives have been applied at many levels of analysis which includes organizational, intra-organizational, population and community evolution. Evolution has become a powerful tool for academics to explain change in organizational dynamics since its incorporation to organizational theories. In the words of Van de van & Poole (1995), evolution explains change as a recurrent, cumulative, and probabilistic progression of variation, selection, and retention of organizational entities. This motor is prescribed in the sense that one can specify the actuarial probabilities of the changing demographic characteristics of the population of entities inhabiting a niche. Although one cannot predict which entity will survive or fail, the overall population persists and evolves through time, according to the specified population dynamics. We for this work are more interested in population and organizational evolution where population consists of collection of organization with common forms (Hsu & Hannan, 2005). Underlying the question of organizational evolution, there are two mainstream schools of thought or debate exist among scholars, where one side of the debate is the organizational ecologists who argue that individual organizations are largely inert like bacteria or birds and change occurs in the population as a whole as old forms are replaced by new forms that better fit the changed environmental context; on the other hand, the other schools suggest that organizations can and do change and add a new variable the role of top management which plays a part in guiding evolution in its desired direction through anticipating change (O'Reilly, Tushman, & Harreld, 2009).

The three most important features of evolutionary theory are variation which implies that organisms of species have different traits, selection which suggests that these differences in traits sometimes make a difference in the survival and retention which implies that traits can be passed on from generation to generation; and evolutionary process occurs in two fundamental ways: natural selection and adaptation where natural selection refers to a process of retention of only the traits which are favorable for survival becomes common over succeeding generation and on the other hand, adaptation refers to the process where organizational experience and memory is used to
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strengthen the exploration and exploitation processes and adapts to changed environmental context (O'Reilly, Tushman, & Harrelld, 2009).

There are quite a number of theories or schools of thought exist among advocates of evolution in organizational theories regarding issues like speed of natural selection or the change process, of which a detailed description is beyond the scope of this paper. In sum, we conclude that change or natural selection can occur at both individual and organizational level and it can work in a pre-deterministic way where environment selects the best fitted organisms (i.e. the organization/s) or with the direction of top management, the process of natural selection or evolution can be guided (Lovas & Ghoshal, 2000).

2.1.2 Dialectic Development

Dialectic development assumes that organizations exist in a pluralistic world of colliding events, forces or contradictory values that compete with each other for dominance and values (Van de van & Poole, 1995). The driver for this kind of change is the “conflicts of interest” between groups and the change process in this development explained by balance of power between opposing entities and requires two or more entity to operate successfully (Van de van & Poole, 1995). However according to Van de van & Poole, (1995), there is no assurance in dialectic theory that there will always be a creative synthesis because sometimes an opposition group may simply pull together sufficient power to overthrow and replace the status quo which may not be based on the “most beneficial for everyone” type of thinking. In terms of organizational change, stability is ensured through maintaining status quo and replacing status quo with antithesis or synthesis indicates a change, for the better or worse (Van de van & Poole, 1995)
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2.2 Best Fit and Best Practice in Strategic Human Resource Management (SHRM)

Due to the fact that traditional conception of HRM is not able to serve the need of business, much attention has been moved to Academics and managers consider SHRM as one primary process which help them to increase performance. According to Fombrun, Tichy, & Devanna (1984), mission and strategy, organization structure, and human resource management are three major elements essential for organizations to function effectively. Hendry & Pettigrew (1986) explain that The SHRM is the attempt to match HRM activities and policies to some explicit business strategy.

There are two perspectives used in SHRM; Best fit and Best practice. The notion of best fit means that, in order to gain competitive advantage, HR practice must fit well with its surrounding context and environment of the organization to support the business strategy. This model was developed with the purpose to explain why the approach taken to HRM varies between firms (Kakavelakis, 2010). The concept of best practice claims that all firms will get better organizational performance if they adopt certain best practices in HRM. In Pfeffer’s famous work (1994) in the area of the best practice model, he purposes a number of HR practices for achieving competitive advantage; employment security, selective hiring, extensive training, sharing information, self-managed teams, high pay based on company performance and the reduction of status differentials.

2.3 New Role Model of Human Resource Management

Globalization and the rise of volatility in the world market has affected on the necessity of rearrangement of various functional activities in order to meet the organizational strategic objectives. New strategic roles for HR functions are the outcome of this global
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Trend. Caldwell (2003) asserts that role of the HR function has changed tremendously owing to several significant reasons. The HR professional’s role has become more multifaceted than before. Human resource management practices are distinctly an essential part of the corporate business strategy in organization (Lawler & Mohrman, 2003). These recent trends in HR combine business strategy and people management together which generate a new set of role demands, a greater challenge for HR management and a raising expectations for HR services deliveries. Thus HR must be able to recognize and implement changes required in order to support the new roles and capabilities that the business needs (Lawler & Mohrman, 2005).

Therefore, HR professionals must define its new role in adding value to the business by creating organizational competitiveness. Beatty & Schneier (1997), comment that strategic HR must enhance the organization’s competitive advantage by adding real and measurable economic value. They concentrate more on HR strategy making them different from traditional HR function that spends most of time on administrative and transactional activities. HR professionals and line managers are both important for creating global organization capability which has become a source of competitive organization of the future.

Many commentators have recommended classifying HR roles. In a study by Ulrich (1997), he develops a four relatively simple and operational model of the Human Resource Management roles which help to improve organizational effectiveness and support HR’s position. The roles of HR functions have become more and more complex arising from increasingly complex business environment. They have to fulfill both operational and strategic roles and also take responsibility for qualitative and qualitative goals both in short-term and long-term. Though this focus, HR professionals become more proactive in demonstrating the value added they could provide for organization in enhancing ongoing organizational competitiveness. HR functions add value to organization by using their expertise to link internal organization and management practices to external business requirements (Conner & Ulrich, 1996). Moreover, HR functions need to put an effort to integrate essential organizational capabilities by
Developing internal competences required to apply the appropriate practices in order to create a competitive advantage over time (Ulrich, Yeung, Brockbank, & Lake, 1995).

<table>
<thead>
<tr>
<th>Future/strategic focus</th>
<th>People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management of Strategic Human Resources</td>
<td>Management of Transformation and Change</td>
</tr>
<tr>
<td>Management of Firm Infrastructure</td>
<td>Management of Employee Contribution</td>
</tr>
</tbody>
</table>

**Figure 1 Ulrich Model**
(Source: Ulrich 1997: 24)

Ulrich’s HR conceptual framework needed in developing organizational effectiveness is based on two main dimensions. The first axis represents the competing demands of future/strategic focus and day-to-day/operational focus. The other axe reflects the demands created by activities of HR which are a focus on people and on process.

Ulrich (1997) identifies four distinct roles of HR professionals that may add value to a business and create competitive advantage within his model.

1. Strategic Partner (Management of Strategic Human Resources) – HR function become a business partner which is a major player in organization with a responsibility to align HR function to company’s business objectives.
and strategies. The key role is focused on designing the plan that realizes organization’s purpose and direction to make organization achieves the goals. Ulrich (1997, 1998) states that the main purpose of the HR function is to deliver the “best fit” in tailoring HR strategies to organizational goals, rather than adopting a “best practice”. For this reason, the outcome of this role must allow company to be able to perform its corporate strategies through the HR function. The business partners should coordinate with senior and line manager to ensure that they meet the needs of an organization.

2. Administrative expert (Management of Firm Infrastructure) – is defined as management of firm’s infrastructure by building an efficient infrastructure. This role is to make sure that HR function is providing high quality service that supports the financial goals of the company and to ensure that traditional HR processes such as staffing and training are carried out efficiently and effectively (Lemmergaard, 2008). The HR function should add value in its services to customers and create its value to the organization.

3. Employee Champion (Management of Employee Contribution) – The third role is trying to increase employees’ commitment and capabilities by focusing on their needs (Ulrich, 1997). Ulrich classifies the employee-champion role into the “employee advocate” and “human resource developer” (Ulrich & Brockbank, 2005). As an employee advocate, HR professional, which has an important role in organizational success, uses his knowledge and expertise in establishing the organizational atmosphere in which people have the competency and commitment. HR staff should focus on building up the relationship with line managers and employees, and creating the psychological contract between organization and employees to secure such employee commitment.

4. Change Agent (Management of Transformation and Change) – The forth HR role allows the HR function to meet the challenges of the changing business environment and positioning the business to execute strategy (Hunter et al., 2006). The role of change agents concentrate on employees with the purpose
of dealing with the transformation and change. When company faces the transformation and change, HR professionals as change agents have to be involved to ensure that the company has the high capability to change. HR ensures that the company has the capacity to handle change by assisting employees in their attempt to embrace and implement change (Ulrich, 1997).

From the book HR Business Partners, written by (Hunter et al., 2006), the Ulrich’s HR roles model has been developed. The figure 2 aligns each quadrant in the Ulrich model with the new HR roles required to succeed in implementing this model.

![Figure 2 Roles in the Ulrich Model](image)

(Source: Hunter et al., 2006: 14)

This model shows the new opportunity for the HR professionals. Each new role requires different skills. HRBP role becomes more important in the HR function. HRBP, as a strategic partner role, must be in alignment with overall business goals and objectives and is able to provide the policies, strategies and advices for the company. HRBP can be also executed as the Change Agent role by generating the steps for
changes in company and supported by a deep knowledge of employees in organization which is the role of Employee Champion. However, HRBP cannot work alone to make a successful HR function. HRBP also relies on other parts of the HR function; for example, shared service center can help to improve organizational efficiency and support HRBP from the skills of the Administrative Expert.

2.4 HR Business Partner

2.4.1 Background

The unofficial model of business partner has been recognized for more than a century when the functions have delivered more value and thus, a better business result. However, formalizing how HR functions can give added value as business partners has just been focused by researchers since a decade ago (Ulrich & Brockbank, 2009). The concept of HR business partner has become more popular due to the publishing of Human Resource Champions written by Dave Ulrich, a leading HR academic (1997). In his book, he proposes a new HR roles model which is based on eight key challenges that businesses will be facing. From this model, the concept of the HRBP has explored.

2.4.2 What is HR Business Partner?

There are many researchers offering the definitions of business partners and they have their own definitions of HRBP. Beckett (2005) states that business partner is a business advisor who utilizes the human capital assets in the most profitable manner. HR professionals may be asked to analyze and have to give some advices and opinions on an issue to managers in organization. They also can sponsor business managers through a change process. This is a new job title which reflects that HR professional should not only be professional capable but also need to be business aware and knowledgeable
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about personnel matters. Emmott (2004) also states about the definition of strategic business partner though the main responsibility of HR function is to make a strategic contribution to the success of business objectives. Sandstrom (2002) claims that HRBP is an actual partner in the business, and a person who helps management in decision-making about human capital developing those HR capabilities and interventions into the strategic business plan.

2.4.3 Reasons for implementing HR Business Partner

In the 1990s, corporations made an effort to take advantage of every cost-cutting tool. However, they realized that the great competitive advantages do not come from cost cutting but from growth. So their aim goes beyond cost cutting to focus instead on growing their business faster. In order to achieve the certain purpose, many huge organizations involve more experts to join their strategic planning. Many top managements and line managers perceive the increasing importance of human resources which are not just the resources for solving business problem but they are an essential administrative function. HR takes a step forward with ideas and insights which become more and more valuable for the company’s success and will enhance the company’s growth and performance. HR experts are provided an equal seat at the business-planning table. From the increasing roles and importance of HR experts, companies tend to use the generic term business partner to call them (Sandstrom, 2002). HR business partners dedicate their time on business partner activities and give little time on the HR’s routine.

2.4.4 Roles of HR Business Partner

Ulrich & Brockbank (2005) outline the trends about the increasing roles of HR professionals and suggest that HR must play as full business partners in organizations. The role of HR business partner has to be closely aligned with business strategy and its
tasks should flow from the company’s needs. Ulrich & Brockbank (2005) describe the purpose of the business partner model is “to help HR professionals integrate more thoroughly into business processes and to align their day-to-day work with business outcomes” which means that they should concentrate more on deliverables and business results rather than HR activities. To make the full impact of HR practices on firm performance, HR professionals are needed to be involved in the strategy formation process (Vosburgh, 2007). These agents are accountable for managing the corporate and business-unit level strategic direction by deploying their people management knowledge. They use the knowledge to create the people strategy for meeting current and future human resource needs and provide the right resources to help the company achieve success in reaching their business goals. The HRBP should be able to find out the most effective ways to attract people with right skills, to hire before its competitors and to keep them within the companies. All HR staff functions are striving to seek opportunities to provide more value to top-line growth and bottom-line profitability (Ulrich, Brockbank, & Johnson, 2009)

2.4.5 HR Business Partner and Line Manager

It is obvious from the title of this position that people have great relevance to working in partnership with their other business colleagues. Liu, Combs, Ketchen, & Ireland (2007) suggest that it is a responsibility of HR managers to retain the close relationship with line managers in order to keep up-to-date with the strategic focus of the organization. The HR business partner now exists to work as a partnership with the line in order to help their colleagues focus attention on develop HR programs and management activities that fit business needs, as well as to deliver HR services to support the key clients. He is expected to deploy HR programs efficiently and accurately within a business unit and supports managers in their HR responsibilities (Farndale, Paauwe, & Boselie, 2010). HR has to coordinate with line managers to construct a framework of measures that help to effectively direct the human capital (Mayo, 2005). They work together to build real employee engagement and to appropriately implement policies
and practices that support business growth and development in organization. In order to do this, the activists HR professionals are responsible to collect information from many sources and multiple perspectives to assist them in decision-making.

### 2.4.6 The Requirements of HR Business Partner

“Business partner is not just another job. It is kind of challenge that requires a special kind of person” (Sandstrom, 2002). There are many organizations have failed to implement HRBP model successfully and have thought that this model is ineffective. Ulrich (1997) states that the companies fail because they fail to apply this new role correctly or the person, who is responsible for the new strategic role, is not sufficiently trained or qualified. Hence, in order to become a talented HR business partner, people must have a great ambition to know about the company’s process and its direction which allows them to develop the most effective methods in helping company to reach the goals. They must have a deep understanding of the business and realize the key objectives of organization. However, Sandstrom (2002) declares that having the know-how is not enough to perform this role. This new role is only suitable for individuals who have multi-skills to be able to perform tasks because some may require strong generalist skills while the others may need HR expertise. The business partner must have good communication skill to provide full and effective HR support for the management team and must have marketing skills necessary to influence key managers and make change happen. Reilly (1952) also mentions about the requirement for business partner role. He suggests company has to make sure that this position is performed by those with HR experience. HRBP can find talented individuals from elsewhere. They may be able to perform their job extremely good and perhaps better than HR agents in the company. They are expected to develop their skills set in both their professional area and their generic management roles in order to add useful value to the business at a strategic level.
2.5 HR Shared Service Center

2.5.1 Background

The concept of shared services was originally born in North America in the late 1980s. It was not seen as a concept that particularly used for HR but was applicable to any forms of service delivery that support the primary operational activity. It was firstly applied to financial function of organizations. High cost service functions were considered to be outsourced, but at that time, there were no appropriate external service providers available (Davis, 2005). General Electric (GE) was the first company that set up a financial shared service center to consolidate accounting functions in the United States in order to reach economies of scale and improve its common accounting systems (Fisher, 1998). The company separated its financial administrative services from strategic financial advice and support. This concept was oriented towards corporations and was spread throughout the United States and the world making the in-house model of improving quality and efficiencies through delivering service from one location to serve multiple business units a widely accepted and used by many companies around the globe. However, the national differences in culture, currency and language have been the factors that make the rate of expansion of shared service centers in some parts of the world such as Europe slower (Davis, 2005).

After it became common in the financial field, it was adapted to other functions in organization including in HR. HR shared services model has been widely used and has now become routinely accepted as a mean of delivering cost-reduction and performance improvement and providing a foundation for more effective HR services (Boroughs & Saunders, 2007). There was a sharp increase in the number of companies implementing HRSSCs during hard economic times. The companies attempted to focus more on core businesses and centralize or outsource support services to increase productivity. Companies have set HRSSC in response to the need for cost reductions, productivity improvements, work simplification and have strived to maximize the return on their human capital investments.
From survey by Shared Services Institute (2011) shows the trend that shared services implementations continue to be on the rise. A comparison between the use of shared services in 1995 to 1999 shows no significant differences. Apparently, shared service have increased in popularity since 2000. As can see from the chart, the percentages of shared services implementation in 2010 are higher than in any prior year. The trend also shows that 2011 will have more companies adopt shared services model.

![Figure 3 Percentages of Shared-Services Start-ups in North America](image)

(Source: Shared Services Institute, 2011: 6)

### 2.5.2 What is Shared Service Center

There are some distinction between shared services and outsourcing. The shared services can be considered as an internal outsourcing. They are a form used as an interim step before outsourcing (Quinn, Cooke, & Kris, 2000). Shared service model is a specific kind of sourcing arrangement which is performed to encourage a collaborative strategy (Bergeron, 2003) but outsourcing model is about moving non-core businesses process out to third party vendor, eliminating a burden, downsizing, creating flexibility and focusing on core activities (Baldwin, Irani, & Love, 2001).
Shared service center refers to in-sourcing corporate activities with a purpose to establish a new business unit to deliver services to a range of in-house clients in place of separate function (Sparrow & Braun, 2008). Ulrich (1995) also suggests about the definition of shared services model that SSC, a single organizational phenomenon, occur when separate business units within a company are brought together. It is a business within a business and is responsible for supporting the organizational unit by delivering needed services at the highest value but with lowest cost. However, Quinn et al. (2000) and Oates (1998) argue that shared services practices had been developed beyond the boundaries of the single organizational unit. The shared service center may also be found as a separate business unit which has to be relied on the board of directors.

As HR shared service center, “selected HRM activities are concentrated, or bundled, into a new semi-autonomous business unit that performs HRM activities for the business by providing services that are shared by various organizational entities and matched to different end-user groups” (Maatman, Bondarouk, & Looise, 2010). Company consolidates administrative activities and transaction works into shared service centers which isolate from ordinary services within an organization. The center includes all activities in one location by employing information and communication technology to support this organizational structure. However, some researchers such as Ulrich (1995) argue that HR shared services people are not physically brought into one location but are co-located with their business teams because they have to participate in both the business team and HR team. This shared services business unit has greater autonomy and better accountability and can be seen as an independent and external service provider. The others are viewed as customers. The new enterprise function empowers middle management and supervisory staffs and gives them more responsibilities.
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2.5.3 Roles of HR Shared Service Center

HRSSC is a relatively new form of HR organizational structure which leads to the centralization of activities to avoid duplication but still remains responsive to local business needs (Janssen & Joha, 2006). Responsibility is realigned in a shared services organization. People in business unit are moved away from managing day-to-day delivery of services. With the new structure, there are a dramatically reduce in the number of staffs in HR functions as well as scope and impact.

To understand the roles for HR staffs in SSC structure, Reilly & Williams (2003) propose three different tiers of HR roles. First tier is HR generalist or call-agent who provides basic problem solving. HR advisor is the second tier of HR roles suggested in their model. HR has a higher-level expertise and gives better support than HR generalist. The final tier in the model is HR expert who involves with policy design capability. The first tier staff has direct contact with clients and work in front-office while the second and third tier staff may also have work in front-office to deal with customers or back-office to support front office staffs.

Within the SSC structure, the main role of HR is to support their line management team in executing their strategies and addressing their business imperatives (Leland, 2000). HR shared services include the provision of compensation, benefits, payroll, organization development and performance management. This new HR structure deploys integrated human resource information systems technology and self-service functionality to deliver the highest value at a reduced cost for multiple line managers and employees. These new systems or system upgrades give organizations an opportunity to concentrate their service activities in one site by moving the work away from individual business units toward shared service center (Herbert, 2008). This consolidated service center not only improves better customer service levels but also enhances communication between company and its employees. This new structure transfers increasing responsibility away from HR to line managers for the implementation of HRM. However, these benefits will occur only when “service delivery is the core competency of shared services, resulting in better management,
better service quality, lower costs, and ultimately higher levels of client satisfaction” (Horan & Vernon, 2003).

The importance of customer satisfaction and the attempt of building customer relationship had rarely been recognized and appreciated before. SSC embraces the philosophy that the service provider has to change their focus away from cost reduction and productivity improvement to pay more attention on customers. The SSC model fosters a highly customer-oriented mindset which clients of the services are viewed as customers. Staffs have to be customer focused rather than provider driven, and that their duty is to provide services the internal customers desire and are willing to pay for (Leland, 2000).

Best practices are employed in nearly every organization to attain competitive advantage with customers. For SSC, it is necessary to create an efficient partnership that addresses both sides of the internal equation (Leland, 2000) which allows customers to define the services they like and the quantity they need. “The user is the chooser” (Ulrich, 1995). The provider does not decide which services it will deliver but it allows internal customers to take up services they want. On the other hand, service providers can know what they have to contribute. The agreed-on services would be delivered within the agreed service level and standards at competitive rate through best practices. It implies that both customers and providers need to coordinate with each other and share responsibility for the results. Creelman (2008) suggests that a unique service provider-recipient relationship must be set up.

2.5.4 The Logics of HR function

Paauwa (2004) identified four different perspectives in the field of the HR function: named as strategic, societal, delivery and professional logics. The strategic logic connects human resources strategy with corporate tactic. The societal logic underlines the fitting of HRM policies with society. The HR professional logic focuses on the expectations of line managers, employees and other stake holders (Paauwa, 2004) which
means that HR function has to give the priority to customer orientation and quality of service. Finally, the delivery logic is about how HR practices can be delivered through different delivery channels; for example HR function, line management, employees, self-service, shared service center, eHRM and so on. The heart of this logic is to get cost-effectiveness.

2.5.5 Drivers and Reasons for Implementing a Shared Service Center

The Impact of Technology Development

The development of technology has facilitated this structural change and is perhaps the most important force affecting HR (Adler, 2003) and has been one major reason for the introducing the concept of HR shared service. During the past decades, a dramatically improved reliability, functionality while increasing cost effectiveness of communication and technical innovation have facilitated the ability of communication across organizational boundaries and geographical distances. Company can distribute information in real-time. Organization has embraced information technology as a valuable tool to enable a more effective and efficient decision-making and to ensure that the information is transferred across different parts of the organization.

The emerging of information and communication technology opens up new possibilities for in-sourcing which moves away the activity of HR to line managers and employees (Lepak, Bartol, & Erhardt, 2005). IDS (2000) also states about technology as a necessity to the new HR model due to many reasons. Technology is a prerequisite for cost reduction and time saving, and help to improve quality and productivity continuously. It integrates HR with firm’s business strategy and creates better relationships with clients. Farndale et al. (2010) claims that SSC which is a multi-tier support service model, is established to make optimal use of web-based and information technology and is often organized through a call centre which decreases the need to keep HR close to the employees. Technology is the rationale and the enabler of HR shared service center (Strikwerda, 2007). It allows company to merge corporate
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activities into fewer locations while the information is better dispersed to broader customers. Line managers and employees can make use of self-service functionality to get what they need (Reilly & Williams, 2003).

**Influence of Organizational Structure and Corporate Strategy**

In today’s competitive business environment, only the companies that invest in resources for developing their core competencies can survive in the market and get full advantage of strategic opportunities. The HR traditional structure seems to be inflexible for intense competition. Reilly (2000) proposes that one reason for setting up HR shared services is to achieve a greater degree of structural flexibility in order to get better respond to business change. HR implements shared service model to contribute to the organizational change. This shared service center creates an organizational structure that permits a quick response to business changes (Cooke, 2006). It means that HR function becomes more flexible to change by responding from central to meet the demands. Companies can manage their SSC in form of a profit-center which operates to deliver a value added and to meet internal profit or as a cost-center model which focuses on cost and expense recovery or even as a contracting partner for external parties. The ease of implementation this shared service depends on the existing corporate structure while the decision to change to shared service center depends on its corporate strategy.

The main reason of set up shared service center is to focus on professional logic to create a centralized unit while still responsive to local business needs (Jassen & Joha, 2006) as well as delivery logic of cost saving (Carlsson & Schurmann, 2004). Many massive companies face the dilemma of deciding whether to centralize or decentralize the control and responsiveness of their HR function. Centralization is about maintaining control in center. It simplifies HR work and leads to the avoidance of redundancy and duplication of work (Ulrich, 1995). It gives many benefits such as economies of scale and scope, potential cost savings, and greater control but tends to avoid customer focus. On the contrary, decentralization refers to the shift of responsibilities to distribute more control to local center. It transfers ownership of HRM to local units maintaining local
autonomy (Farndale & Paauwe, 2007) and offers customer-oriented service and more flexibility but is very expensive.

Maatman et al. (2010) give the reason why multiple companies changed their structure into the direction of a shared service center that the companies would like to improve quality of service and try maximize usage of the advantage of centralized and decentralized delivery approached while minimizing the disadvantages of both. Hybrid structures seem to be the best solution for companies. This single service-based model for support functions consolidate centralized decision making with decentralized delivery (Farndale et al., 2010). The work on strategic HR is performed at head office while on operational HR at local units. Some studies about shared services and suggests that, the successful organizations should try to create the competitive features customer focus and flexibility as well as the features of economies of scale (Lentz, 1996). Companies have to move their SSC to the direction that will lead to customer satisfaction and benefits while they can control the standards of the service and reduce cost.

2.5.6 Advantages of HR Shared Service Center

SSC gives significant benefits to an organization. Companies choose to implement SSC model with the purpose of gaining different advantages including the following:

1. **Cost Reduction**

Cost reduction seems to be the major impetus for the decision to set up HRSSC. The financial saving is the outcome of the economies of scale. Horan & Vernon (2003) claim “shared services can give a potential saving around 15% and 40% of labor costs”. The amount of money company can save is depend on the size of the labor cost and the amount of HR services that are consolidated. The companies, which are geographically dispersed with large populations, high labor costs and consistent local requirements, are likely to establish HRSSC (Horan & Vernon, 2003). Moreover, if SSC is managed
wiser, it can lead to major cost savings and create more efficient services while making resources available for other tasks that enhance human capital. Likewise, Gonzales, Ellis, Riffel, & Yager (1999) make a research on Human Resource Service Center (HRSC) of IBM. They find that HRSSC can help company to reduce the cost. The creation of HRSC initially delivered a 40% cost reduction in providing HR services. The increasing number of services arranged by HRSC can lead to additional cost efficiencies.

2. **Better Focus and Improved Quality**

Many implementation of shared service center are primarily driven by cost reductions. However, for most new shared service, cost reduction is seen as one component, but not the only driver. Organizations found that concentrating particularly on a cost proposition has its limitations (Leland, 2000). They should set the overall goal of maximizing customer satisfaction. SSC allows providers to know what customers want and to understand the requirement to deliver each service. Horan & Vernon (2003) explain the benefits of HRSSC that “the increased consistency in HR programs and their articulation in a service-level agreement typically result in substantially improved quality and consistency of service, leading to greater employee satisfaction”.

### 2.5.7 Disadvantages of HR Shared Service Center

Before setting up shared service centers, companies must carefully consider their options and goals to choose the appropriate type of strategies for their needs. There are many benefits as well as drawbacks to the use of HR shared service centers.

1. **Costs**

The shift towards a shared service model may create a high implementation and transition costs. It will be more expensive if companies have to invest more money in the development of infrastructure. This will occur in the event that they have incompatible IT systems. This model relies much on web-based and information
technology, thus each organization needs to make significant investments and improvement in technology and change. Moreover, if they fail to implement shared service centers in organizations, they may find the difficulty to decentralize their shared service back to the traditional HR function (Gill & MacCormick, 1999). However, if the process of setting up HRSSC is well managed; the benefits can cover the high transition cost.

2. Reduced Performance

One of the reasons for reduced performance and poor quality of service is a result of the impact on employees. It occurs from the loss of face to face service and communication and standardization of activities. Redman, Snape, Wass, & Hamilton (2007) explain the feeling of employees towards this new HR structure that “jobs had become more boring through narrow specialization; workers felt de-skilled and missed face-to face contact; employees were concerned about career development opportunities, and about not being able to see work through to the end”. Another disadvantage comes from the loss of employment. Since company has to consolidate all HR activities into one central location, it can decrease costs by eliminating duplicate works and lead to an inevitable loss of jobs in the local organization (Fahy, Currie, & Cacciaguidi-Fahy, 2002). Some employees who cannot adapt to this model may also leave the company. This may cause the loss of local knowledge and can affect organizational performance.

In this chapter, we have discussed the reasons why company has changed from traditional HR function to new strategic roles. There has been a dramatically change in HR function during last decade. HR functions become more and more important in organization. They attempt not only to lower the costs but also to ensure their competition and efficiency. We can see the trend and several drivers that pursue HR functions in many organizations adopting the HR business partners and HR shared service center approaches. As we explained above, both approaches can deliver values and advantages to the business. However, there are some barriers and disadvantages as well. In the next, we will give more details on how we are going to answer our crucial research questions.
3. Methodology

The aim of this chapter is to familiarize readers with research process in minute details. It starts with author’s view of the world followed by a detailed section of the whole research design and ends with a conclusion of the research outcome.

Before going into details of the content of this chapter, we deem it to be necessary that our readers are familiar with the research process as well as the thought process behind this research. This is because we believe the credibility and quality aspects of any research is best established when the whole research process is described in precise details and the end readers also understand the thought process behind the research. According to Burrell & Morgan (1979), all approaches to social science emerges from an interrelated set of assumption about human nature, ontology and epistemology. Having a similar thought in our mind, the following section describes which theories and views influenced us while we designed and conducted this research.

3.1 Ontology and Human Nature

According to Wikipedia (2011), the term ontology refers to the philosophycal study of the nature of being, exisstance or reality and deals with questions regarding the exisstance of entities and how such entities can be grouped, related within a hierarchy and subdivided according to similarities and differences. We take ontology as primarily concerned with “exisstance” of any entity and especially deals with a “what” question.
There are different assumptions exist in the social science regarding the relationship between ontology and human nature. According to Morgan & Smircich (1980), these different assumptions about ontology and human nature provide a rough typology for thinking about the various views that different social scientist hold about human beings and their world. These views have long history, have undergone long standing debate and each provides with a powerful tool for social thoughts (Morgan & Smircich, 1980). Morgan & Smircich (1980), arranged these various assumptions into a continuum where extream right was labeled “objective” approaches and extream left was lebeled as “subjective” approaches. Assumptions about human nature and their underlying core ontological assumptions were then grouped on the continuum according to their nature. This can be shown in a table below:

<table>
<thead>
<tr>
<th>Core Ontological Assumptions</th>
<th>Reality as projection of human imagination</th>
<th>Reality as a social construction</th>
<th>Reality as symbolic discourse</th>
</tr>
</thead>
<tbody>
<tr>
<td>This extream position commonly known as solipsism holods that social world and what is know as “reality” is a projection of individual consciousness. According to this view of reality, the minds of the individual is what reality is. Meaning, human beings construct reality in their mind through conscious experience and to understand phenomena of this world, one should seek through his or her own conscious experience.</td>
<td>Reality is constructed through continuous usage of “symbolic actions”. These “symbolic actions” involves usage of language, labels, actions and routines in everyday life together which establishes a meaningful realm of reality. Thus, according to this view, the realm of reality does not go beyond these “symbolic actions” and the lifespan or existence of reality is depended on the existence of these “symbolic actions”. Reality seize to exist the moment the usage of these “symbolic actions” is no longer functions.</td>
<td>There is a pattern of symbolic actions which forms symbolic relationship and meaning through which this social world is constructed. These pattern or rule-like activities are open to change through interpretation and actions of individuals. The reality does not depend on this rule-like activities, rahter the whole system of “meaningful actions” taken by individual forms reality that may appear as rule-like to an external observer.</td>
<td></td>
</tr>
</tbody>
</table>
### Assumptions About Human Nature

<table>
<thead>
<tr>
<th>Assumptions About Human Nature</th>
<th>Humans as transcendental beings</th>
<th>Humans create their own reality</th>
<th>Humans as social actors</th>
</tr>
</thead>
<tbody>
<tr>
<td>People are by nature</td>
<td>According to this view, human beings shape their world or their own reality through their own immediate experience. The realms of reality and realms of beings are all part of one form of transcendental consciousness.</td>
<td>Human being creates their own reality through “creative activity”. Unlike the extreme “leftist” or “subjective” approach, human being are not mere interpreter of situation in meaningful ways. According to this view, reality is a result of this “creative activity” and reality exist so long as these “creative activities” exist.</td>
<td>Humans are social actors capable of changing, understanding and sometimes creating the “scripts” they play upon the stages of life. According to this view, human beings forms reality through enacting with the social world and for doing so, they employ techniques such as language, labels and other mode of culturally specific actions.</td>
</tr>
</tbody>
</table>

### Some Examples of Research

| Some Examples of Research | Phenomenology | Ethnomethodology | Social Action Theory |
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<table>
<thead>
<tr>
<th>Objective Approach</th>
<th>Reality as a contextual field of information</th>
<th>Reality as a concrete process</th>
<th>Reality as a concrete structure</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core Ontological Assumptions</strong></td>
<td>Reality is a product of continuous changing form and activity based on information exchange. Here, the forms and activities evolve through learning which is based on the principles of negative feedback. According to this view, a change in one end of the pattern initiates changes in the whole chain which in turn can redefine reality. Relationships are relative rather than fixed in this view.</td>
<td>Social world is concrete in nature but ever changing in detailed form. There can be found a general pattern in the relationships between different constituent processes but it is extremely difficult find causal relationship between them. Reality is a constant struggle these process each of which attempts to move toward achievement of its desired end.</td>
<td>This is the extreme left of the continuum which holds the view that social world is composed of concrete network of determinate relationship between different constituent parts. Thus according to this view there exist a causal relationship between every parts and aspects which does not show any form of observable behavior is of questionable status.</td>
</tr>
<tr>
<td><strong>Assumption About Human Nature</strong></td>
<td>Humans as information processors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human beings contribute in the evolution of reality through interacting with their context. They do so based on the information they receive from the context. One important note is that a well developed learning and mutual adjustment indicates existence of harmonious relationship between individual and the context and vice versa.</td>
<td>Humans as adaptive agents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human being has an interactive relationship with their world where they influence or are influenced by their context or environment. The process of exchange in this view is a competitive one and an ability to exploit environment ensures survival and well being of individual.</td>
<td>Humans as responding mechanisms</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Every action of human beings are conditioned and governed by the contextual or environmental stimuli. A network of causal relationship links all the important aspects of behavior to context. Though human perception may influence the context to some degree people always respond to situation in a lawful manner.</td>
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</tbody>
</table>
Changing Role of HR – A Comparative study of different organization structures in relation to HR & the motivation behind them.

<table>
<thead>
<tr>
<th>Some Examples of Research</th>
<th>Cybernetics</th>
<th>Open System Theory</th>
<th>Behaviorism Social Learning Theory</th>
</tr>
</thead>
<tbody>
<tr>
<td>When the learning and mutual adjustment is not well developed, there is a risk of unpredictable pattern of change in the field.</td>
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</tbody>
</table>

**Figure 4 Assumptions about Ontology & Human nature**

(Source: Adapted from Morgan & Smircich, 1980:494-495)

According to Morgan & Smircich, (1980), these different assumptions about ontology and human nature provide grounds for social theorizing and influence the later process of research design and because of these assumptions, the debate about quantitative/qualitative has risen. Taking a similar view with Morgan & Smircich, (1980) we also think that the type and choice of research methodology can be seen as outcome of these philosophical standpoints.
3.2 Research and Research Methods

As far as the definition is concerned, there is no consensus about definition of research in the literature, and one probable reason is that research means different things to different people (Amaratunga, Baldry, Sarshar, & Newton, 2002). However, most of the literature would be of the opinion that research is systematic and methodical process of enquiry and investigation and that research increases knowledge (Amaratunga et al., 2002). Moreover, according to Amaratunga et al., (2002), there has been a long standing epistemological debate within the scientific community about how best to conduct research, most of which is centered around two fundamentally different schools of thought namely logical positivism or positivism and phenomenological or interpretive science. Other authors have also talked in similar fashion about this debate where epistemology of positivism is seen as encouraging a concern for an “objective” forms of knowledge that specifies the precise nature of laws and relationship among phenomena in term of social “facts” (Pugh & Hickson, 1976 (a), Pugh & Hickson, 1976 (b), Skinner, 1953, (Skinner, 1957). On the other extrem side, “subjectivism” implies that the grounds for knowledge hold the view that human begins transcends conventional scientific modes of understanding and should begin to understand the world in revelatory but as yet largely uncharted ways (Morgan & Smircich, 1980). In summary, this subjective-objective paradigm paves the way for the most widely used research methods: quantitative and qualitative where qualitative research approach relies on explaining a phenomena and quantitative approach relies on numbers that represent opinions or concepts. According to Yin (1994), each research strategy has its own specific approach for collecting and analysing empirical data and therefore, each strategy has its own advantage and disadvantages.

In light of the discussion above, the following table is extracted from Morgan & Smircich, (1980) which offers a comprehensive view of different research methodology, their ontological, epistemological assumptions and assumptions about human nature.
Changing Role of HR – A Comparative study of different organization structures in relation to HR & the motivation behind them.

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<th>Subjective approach to social science</th>
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<th>Basic epistemological stance</th>
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<td>To obtain phenomenological insight</td>
<td>To understand patterns of symbolic discourse</td>
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<td>To understand how social reality is created</td>
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<td>To understand patterns of symbolic discourse</td>
<td>To study system, process, change</td>
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<td>To map context</td>
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<th>Some favored metaphors</th>
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<td>Language game, accomplishment, text</td>
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<td>Theater, Culture</td>
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<th>Research methods</th>
<th>Objective approach to social science</th>
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<td>Exploration of pure subjectivity</td>
<td>Contextual analysis of Gestalt</td>
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<td>Hermeneutics</td>
<td>Historical analysis</td>
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<tr>
<td>Symbolic analysis</td>
<td>Lab experiment, surveys</td>
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Figure 5 Basic assumptions characterizing subjective-objective debate within social science.

(Source: Adapted from Morgan & Smircich, 1980 : 492)
3.3 Research Methodology & Qualitative Research

Research methodology can be understood as the procedural framework within which the research is conducted and there are many factors to be considered when choosing an appropriate research methodology, with the topic to be researched and the specific research questions being primary drivers (Remenyi, Williams, Money, & Swartz, 1998). However, according to McGrath (1982), there is no ideal solution exist regarding the choice of research methodology, only a series of compromises. Besides, the choice of research strategy is dependent upon the function of research situation and in order to avoid gross gap between the desired outcome and chosen strategy, the type of questions posed, control over the actual behavior elements and the degree of focus on historical or contemporary issues are the issues or conditions which should guide the choice of research strategy (Yin, 1994). Having a similar line of thought in our mind, we opted for a research strategy within qualitative research approach because our research questions and our focus on contemporary issue guides us to do so. However, it should also be noted that we wanted to explore the phenomena rather than finding a causal relationship and there were also time and expenditure contraints which limits us to choose one particular method than the others. As we designed and conducted this research work primarily in qualitative research approach manner, in the following paragraphs we elaborated about available qualitative research methods and finally we provided rational for why we prefer one method over other. As we did not use quantitative research approach, we thought it to be wise not to include any discussion about quantitative research methods or those qualitative research methods which are not used for this work as it would serve no purpose other than contributing to the length of this thesis.
3.4 The Qualitative Research Interview

Kvale (1996) defines qualitative research interview as “an interview, whose purpose is to gather descriptions of the life-world of the interviewee with respect to interpretation of the meaning of the described phenomena”. The goal of any qualitative research interview is to therefore see the research topic from the point of the interviewee, and to understand how and why they have come to this understanding. The definition itself should suffice as an explanation for why we choose this method. Moreover, as we depicted earlier, one of our primary research objectives was to get an in-depth understanding rather than finding a causality about the research phenomena which induced us for choosing this method.

3.5 Participant Observation

In the words of Waddington (1994) “when one’s concern is the experience of people, the way that they think, feel and act, the most truthful, reliable, complete and simple way of getting that information is to share their experience”. Participant observation utilizes not only observing and recording human activity; most of the practitioners of this method also rely on “triangulation” – the use of using more than one method of data collection (Amaratunga et al., 2002). As a result, the researcher often relies on other forms of information such as, documentation, mass media coverage and discussion with respondents (Denzin, 1989). We have used participant observation to enhance validity of our work, although it should be noted that “triangulation” was not used strictly as is suggested in the literature. This is because of the time and expenditure contraints we encountered during this work. To offset this, we have included as much primary data as possible to enhance the credibility and validity of this work.

As we said in the preceding paragraph, due to time and expenditure constraints we could not include other research methods such as case study research method. This
should not hinder the validity and reliability of this research work as we believe the methods we employed for this work was sufficient for finding answers to our research questions.

3.6 The Research Design

Based on what has been discussed in the previous sections, it would be fair to assume that our readers are by now have knowledge of our thought process for producing this work. In the following sections, how this research work was executed is explained in minute details.

3.7 Selection of the company

Our initial ambition was to do a more comparative study on the matter. But later on we realized that we lack in time and cost for such a study. However, we found a good number of studies done on this matter which were primarily quantitative in nature. So, we designed our study to focus on three companies so that we could get an in-depth understanding of the phenomena. In choosing the companies, we looked for: a) International scope of business, b) Public vs. private sector operation and c) Reputation in the markets the companies are operating in.
3.8 The Interview

The technique of the interviews were standardized structured interview, where respondents’ were asked standardized questions with little freedom for thinking outside the direction they were drawn. We conducted four interviews and all of them were conducted in english. The respondents’ were sent the questionaire at least two days before the actual interview so that they had enough time to prepare and think. Among the four, one interview was conducted online and with the permission of all the interviewees, all the interviews were recorded in order to facilitate the later process of analysis. (see Apendix for the interview questions).

3.9 Data Collection

Beside collecting primary data through interviews, we also collected data from internet and published journal. Although not strict, the whole research design can be said to have two phase where one phase complements another. Meaning, interviews were designed as a result of the secondary data we found regarding the research phenomena. But sometimes we broke this pattern and included questions which were not depended upon its preceeding phase.

In this chapter, we have familiarized readers with our research process and research design. The following chapter will present the data we found from the qualitative interview divided into four significant themes.
4. Empirical Findings

This chapter presents the data found from the qualitative interview. It groups data by their themes and presents all the data in terms of themes. An explanation of where the themes came from is given and why the respondents said what they said is also given. Finally, the chapter ends with a chapter summary where a brief discussion about the findings as a whole is given.

As is said in the methodology, the interviews taken for this research work were standardized structured in nature. This implies that interviewees were guided to think in specific direction when answering the interview questions. We had some theories we found in literatures when providing with directions to the respondents. As a result, we have grouped the questions in themes which represent some theories about the matter. In the following sections, we first provide explanation from where the themes came from and then the answers we got from the respondents are given; at the end of each theme a brief summary and a rationale for why we think respondents answered the way they did is presented.

4.1 Company Background

(All the real names are changed for the sake of anonymity.)

The Interview Source: Company A

Company A is a country Council which has the responsibility for most of the healthcare needs of the residents in one of Swedish Counties. The service providers are responsible for ensuring that residents are offered the levels of care service that have been
established. This company consists of approximately 11,000 staffs and provides service at 43 health centers.

**The Interview Source: Company B**

Company B is an international home products company which designs and offers a wide range of ready-to-assemble furniture such as beds and desks, appliances and home accessories at affordable prices. It has grown to become recognized as a worldwide retail brand with more than 120,000 co-workers around the world. Today, it becomes one of the most famous retailers of furnishings and accessories for the home.

**The Interview Source: Company C**

Company C is a Swedish company which serves the global market with world-leading products, services and solutions. Its operations are divided into five business areas. This company has more than 12,500 employees worldwide and is operated in more than 50 countries.

### 4.2 Interviewee’s Background

Mr. X is the HR director of Company A. He has been working for company A since 2006 and has got education in economics. Before joining company A, Mr. X worked in the country labor market of Sweden.

Mr. Y is the manager of Human Resource Shared Service Center (HRSSC) at company B. Before this, he worked for a middle sized company as a HR director. His shared service center serves different business units in Sweden.

Mr. Z is HR manager in his business area at company C. Before this he worked as HR manager and HR director in the same company. His current job is kind of a broad HR role responsible for the organization he works with.
Mr. W is the HR Business Partner (HRBP) in company B. before joining company B, he was as a HR manager in a small e-commerce company and before that he was working for a recruitment firm for HR. He has got educational background in HR and Management and IT-Management.

4.3 Empirical Theme

In this empirical finding, we will sort out the valuable information from interviews. In doing this, we divide our focus into four themes.

4.3.1 Theme: Definitions (Ontology & Epistemology)

This theme is concerned with definitions of HRBP and HRSSC, we included this theme to look for what they mean to practicing managers and how the defers if any, from academic literatures, this theme primarily deals with what and how questions.

4.3.2 Theme: Evolution vs. Dialectic Development

In this theme, we put on the “evolutionary” lens to understand the development of HR business partner and HRSSC. In the evolutionary sense, we presumed the development of HRBP and HRSSC to be a part of evolution process in which there is multiple forms which are changing to new forms through natural selection and retention in the organizational ecological system in a probabilistic manner. In addition to this, we were also interested to check if this development falls in the “Dialectic” development where stability and changes are explained by a balance of power between entities. The main driver for “Dialectic” development is “conflict of interest” whereas its “organizational
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adaptation” for evolutionary development. So, the main objective of this theme is to understand the development process of HRBP and HRSSC.

4.3.3 Theme: Best Fit Vs. Best Practice

We are interested to see if it is possible for business to develop a set criteria or key success factors (KSF) which would be applicable across cultures and business environments in this theme. The idea comes from the academic debate about best fit vs. best practice where best fit takes an configurationally approach and implies there is no “magic bullet” that works across different business environments and best practice takes an opposite view an implies that organizations can develop a set of “business practices” which works across business environments.

4.3.4 Theme: Barriers & Recommendation

This theme is what the name suggests, about barriers and recommendations. In this, we try to look for factors to be aware of when setting up as well as executing HRBP and HRSSC. This theme also provides a sort of comparison between traditional and new approaches, and makes recommendation about which situation is best suited for them and which situation calls for functional approach. The theme ends with recommendations on how to overcome these barriers.
4.4 Group: HR-BP

This group we refer only to Mr. W from Company B which we performed the interview about HR business partner.

4.4.1 Theme: Definitions (Ontology & Epistemology)

When asked about what is HR business partner, Mr. W explained that HR becomes a strategic HR partner in organization with primary accountability to provide the execution of business strategy.

“An HR business partner in my view is sort of a strategic HR partner who always has a business understanding and focus when change in the business from and may be through an HR perspective. It’s a matter of business needs driving the HR agenda. HR function creates an HR year cycle, gets the business unit, and follows that HR year cycle.”

In our interviews, the indispensable role of the HRBP is underlined. Mr. W mentioned that this role is very close and is always part of a management group, however less close to co-worker. HRBP works with operational supports and supports the management team to align business needs and to plan HR activities according to the needs.

“In my view, the HR business partner is always part of a management group for the business in which the HR Business partner is a member.”

“To act as a strategic support to the management group and of course to all managers within the focus area/business department and to execute and reinforce HR- strategy. You plan HR activities according to the business needs and request from the business. It is depending on the size of the organization and depending on what tasks are carried out by HR service centers, and you might also have strict responsibility and provide operational support on a site basis. Usually I believe in an organization you have a process responsibility; for
example may be you responsible for competence development or recruitment or another process so business partner role, process responsibility and sort of site responsibility."

### 4.4.2 Theme: Evolution Vs Dialectic Development

It is important to address the objectives of introducing an HR business partner to know the development of HR business partner. We asked Mr. W about the factors which influence the company to implement this model. We found that the reasons are not emphasis on cutting costs or escaping from fierce competition but the reasons are to align HR with the operational needs and to align people strategies with business goals.

“I don’t think that is a matter of cost because there is always getting a return on investment on HR actions is very difficult.”

“I would not say it’s a matter of competition. it’s more a matter of facing the new generations coming through to be able to facilitate the mind-shift that co-workers have and the expectations they have when they come in.”

“If you focus on the HR strategies to have its place which in turn are based on the business plan and the company’s overall goals...then yes that’s the purpose absolutely.....not so much to do with cost.”

“To me it’s a matter of aligning HR with business needs, without the business partner, without having a business focus, HR can never adjust actions and support because we are a support function. You can never do that if you do not understand the business we are in. The reason for having an HR business partner is that HR can be close to the business which they are part of.”

“For us being HR business partner, we can help providing guidance and support and of course one of our goals is to have a right competence ..... having the right competence in the right place.”
Due to the transformation from traditional HR to strategic HR, administrative and operational tasks are moved away from them. This allows HR resources to be able to focus on strategic business activities. It also enhances customer satisfaction and improves bottom line performance although HR business partner seldom contact to employees.

“The coworker does not see exactly what you do. We are invisible to the co-worker in 9 times of ten. We only get involved with the co-worker when there is an issue which is not tackled by their immediate manager. I am sort of a manager coach helping them with the issue when I feel this is an issue. .... I suppose their satisfaction is increased by the fact that the feel that they have a more competent manager and the manager who is perhaps more using leverage; for example getting advice to understand what kind of tool should I use, when, and helping them with everything from developing talks to settling review discussions.”

4.4.3 Theme: Best Practice vs. Best-Fit

Shifting to an HR Business Partner model requires a vastly different array of skills and characteristics. Mr. W agreed that there is a linkage between behavior traits and performance, and there are many characteristics needed for the role of HR business-partner. However, every person has different characteristics and does not have all of those. The single most important characteristic that Mr. W underlines is trustful relationship. HR business partner must be an individual who has the capacity to build trust and create relationship with their internal clients.

“In my view, there is one characteristic which is absolutely most important and that’s the ability to build a relationship, a trustful relationship ..... in terms of having a drive, having the energy to run through the questions at hand and being able to follow up on what has been done.”
“Being to be able to build trustful relationship means of course you need to be able express yourself and gain the trust from other stakeholders”

From the interview, the success of HR business partner is not just being able to build trustful relationship but it is necessary that HR business partner know how to create the trustful relationship with a person from different culture. The development of a trustful relationship also varies from region to region. According to Mr. W, there are two important criteria that are applicable in every culture for the success of HR business partner.

“This is one of the two because how you create the trustful relationship with a person is different from culture to culture. You will have to describe the subsets of that characteristics in each culture you are in but that subset is very difficult to define because how you are perceived as a trustful person in others view. It has a lot to do with your level of self awareness. In my view it’s not that easy to define. Being able to build a trustful relationship in Japan is different from being able to build a trustful relationship in Sweden or India”

Mr. W believed that the role of HR business partner role is crucial for every size of the company; small, midsize or large company. Different companies may call HR in different titles, such as HR manager or HR business partner, depending on company’s choices. However, they have the same responsibility to drive the agenda and to be strategically connected to the organizational strategies and directions.

“In a smaller company, I would not say that you need an HR business partner as a title than you have a HR manager but the HR manager needs to act like an HR business partner."

“I think the HR business focus in my view always has to be the same but using HR business partner as title. Then the smaller organizations, it’s not something that I can see happening than they are HR managers and for midsize and large companies, then you have HR managers and then you can have HR business partners.”
4.4.4 Theme: Barriers and Recommendation

Many organizations have failed to implement their HR business partner model successfully. One of the most challenges in the model is to get real consent from the internal clients of this model and to gain their trust and respect. They do not understand why the business needs to have HR business partner and why this model is appointed into the organization.

“I believe the biggest barrier is that HR creates an HR business partner for the sake of it without either having the request from the business or without being able to show the benefits because it is so easy to get an HR business partner without getting the buy in from the business. That’s like launching a new strategy but not explaining what the strategy is there for.”

It is very important to overcome this barrier in order to successfully employ HR business partner role in an organization. Mr. W proposes two options for doing this.

1. “First, you anchor what you are about to set to do with an HR business partner organization.”

2. “You anchor that with the business and business owners ..... get their attention, get their complete buy in, why are we doing this and how would you like us to implement it, what kind of help do you see that you would have in these people a proper process to get it from the business side.”
4.5 Group: HR-SSC

All responses about Human Resource Shared Service Center (herein after refer to as HR-SSC) is presented in this group. First, responses about positive side of HR-SSC got from Mr. X of company A and Mr. Y of company B presented; then responses about negative side (reasons for failure of HR-SSC) of HR-SSC got from Mr. Z is presented. All these findings are also sub-grouped according to their themes and at the end; a brief summary for the group is given.

4.5.1 Themes: Definitions (Ontology & Epistemology of HR-SSC)

Before we understand what shared service center is, we need to understand what human resource is for organizations; we can understand and define human resource in terms of what they do for organization, which is about how one works in the organization, what leadership qualities should have if s/he is working as a leader and how to attract, recruit and retain people according to Mr. X.

“Number one is if you are working in the company, you have to be active. Everything that involves how you are and when you are working here. Number two is how you work as a leader, if you are a leader here. And number three is how to attract, recruit and retain people. Those three are in human resource.”

When human resource is defined it is easy to define what HR-SSC is, says Mr. X

“And human resource shared service center is how we organize our work to support heads of division or directly to those who are working in our clinic.”

On the other hand, Mr. Y from company B emphasizes on cost when defines HR-SSC. According to him, HR-SSC is a tool for achieving cost-effectiveness through standardization and making use of technology.
“HR shared service center is for me a center where I can place a scale of economics, you can find the quality and the standardize HR processes while using improved technology and self-service system and so on.”

So, we see a bit difference in opinion about the definition of HR-SSC although both agree that it’s all about standardization of different HR work processes.

The next question is about types of HR-SSC and the tasks HR-SSC performs; in response to this question, Mr. X said that HR-SSC is about standardization of work processes with the objective of being efficient, not cost. The tasks HR-SSC does for his company is to relieve the management from thinking about administrative task and concentrate more on strategically important issues.

“The main focus on all our work is to be efficient not cost. That’s the main part. If you are efficient, you could say that you are cost efficient at the same time. For an example, we have help desk in; if you are as a head of clinic as a problem came, how you should write contract with a member or stuff member, then you could call human resource shared service and ask for some hint. So the chiefs and the heads could focus on development than that of making administration that’s the main reason.”

On the other hand, Mr. Y takes an opposite view and says that HR-SSC is about standardization of tasks but with the objective of reducing cost. The focus on quality comes after cost efficiency is ensured:

“I think for us it was a cost, and the quality came as a second. Cost is the first priority. To have access is a main further priority that people outside an organization can get access, and get the question answer, and the things fix in the time of menu.”
As we can see, when asked about the definition, both the respondent agreed that HR-SSC is the standardization of work process, only difference is that one responded said this is so in order to improve quality first (Mr. X) while the other said, first priority is to reduce cost through this standardization (Mr. Y). As for the type and task, both the respondent said standardization of administrative, day-to-day task is what HR-SSC performs for them and have identified that there is cost-centered and quality-centered HR-SSC which are available. The difference in opinion we think is because of the industry each of the respondents operating in. Mr. X operates in public sector industry where competition is not a vital factor so his responses are more on the quality side than cost, whereas Mr. Y is in private sector where competition is a dominant factor which leads the respondent to focus more on cost rather than quality.

4.5.2 Theme: Evolution vs. Dialectic Development

The respondents were asked about what are the reasons for companies to go for HR-SSC, what are the most important among these reasons, what corporate level strategies are the most influential for companies considering HR-SSC. According to Mr. X, organizations or at least his organization went for HR-SSC for being efficient with quality, the next important factor was to provide HR heads with scope to concentrate on more strategically important issues rather than having to deal with day to day administrative tasks, and at the same time, Mr. X thinks that getting influenced by other organizations also played a role for setting up a HR-SSC:

“I think it’s most efficient. If you say efficient, you can also say with quality because every head of some divisions doesn’t do recruitment everyday but its HR shared service is expert on that. When we started, this it was more like influenced by organizations. That’s one thing you could do to be more efficient. Then we see others making it that way and we got influenced and we put it down here and said how we could do it and focused on how we are working and so on.
So we could say we were picking up the good part that other companies are making and made it our own.”

Mr. Y thinks it was part of their corporate objective of being cost-effective. Other reasons include being leaner and quicker and last but not least they were influenced by the trend in the industry:

“The cost factor was one of them. The standardized, the processes inside of [company B] so we have the united forms. The aims are to reduce cost for the HR, to raise quality, and to inspire people to be one of [company B] and to become a leaner and quicker. A lot of focus on cost. I think it was a trend. So we went for the trend and we have this big system.”

Finally, according to Mr. Z the primary motive or corporate level strategy is to be more cost-effective or save money. Other possible reasons include reducing number of employees through consolidation and standardization of different work processes. Of course these are all in turn means being cost efficient through standardization:

“I think there are two big drivers; one is money of course, profit that you want, to be more effective and thereby save money. I should take one example. One example is many companies use this; they share and centralize their salary administration reducing the number of systems, reducing the number of employees that work. That's one of the drivers of course. That is one of the thing we did.”

The next questions were mostly concerned about influence of uncontrollable factors such as competition structure in the industry, and internal factors such as employee trust and perceptions on the decision for going for HR-SSC. In response to these, Mr. X said that as far as issues like employee trust and employees’ perceptions about HR are concerned, for those employees’ who are working outside the HR and consuming Shared Service Centers services, it is not a big influence on their trust factor and for employees involved in the middle management. It has been seen as a step forward
where managers are free from overseeing administrative tasks and able to focus on strategically important tasks.

“Those who are working outside the human resource division, I don’t think that they know that we are a shared service center. The organization is not the main thing. The main thing is that they get the answer on their questions or help. So focus is on the issue not the organization. At a strategic level for me I think this shared service center thinking has moved human resource issues forward and we are focused a little bit all the time in development and making everyday little bit better and so on.”

According to Mr. X, it is the demand of consumers that drives the motive to choose HR-SSC, not industry competition or other uncontrollable factors. According to Mr. X, his organization always strives for better performance and quality because their customers are the taxpayers of the county and they want the company to do so.

“Yes, we don’t have that factor (competition) but we always have this factor to be better to develop ourselves and develop this organization but not to be better than anyone else. To be better because our customers are all taxpayers in the province demanded from this organization to be better. That’s the trigger for us.”

However, Mr. X thinks that cost is a big issue for companies which are operating in private sector where competition is the main source for putting pressure on cost.

“I have worked in the private sector and there is more like the cost issue is the focus and the cost is also focused here in ours but not as a business issue not selling issue not sell more product…. We are not working like that we have to and we want to take care all our patients that come to us but as a issue that every patient is a cost for us in the private sector. Every customer is an income for them so we have a little bit the other way around.”

Mr. Y’s response about acceptance of employees was that there had been a lot of struggle while setting up HR-SSC mainly because the new system takes time to work
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smoothly and so does employee trust as employees were already used to with the older system and there are some issues like payroll which are not global and works better as a local process

“We have had a lot of problems when setting up this center because we were the first one in [company B] to set it up. So it had been a lot of internal struggles. Global payroll system doesn’t work because payroll is not a global functionality. It is very unique for every country. So we have had a lot of problems. Employee`s trust I think has lowest. Today they are more satisfied than they were before, two years ago. But five years ago they were much happier with their old solutions.”

Mr. Y thinks that uncontrollable factors like industry competition are the most influencing factors to go for new structure like HR-SSC which in turn is putting pressure to eliminate or reducing the number of employees.

“I think the competition is the main factor for going for this because you are always trying to lower your cost all times. We are looking for low salary environment which we can put some transactional jobs.”

Finally, responses from Mr. Z suggest that the trend in the industry can be another factor that influence the decision to go for HR-SSC besides having the motive to reduce cost and there are some trust issues with these new structures because what is best for the total may not be best for the local.

“I think the company that we look at, that we sort of benchmark, try to setting up our shared service. Yes, of course. You look at how other companies make things. And if there are a lot of companies doing this, then of course you look at it. But I think it’s not that we did it because other companies have done it. We considered it. We don’t force you the same process, may be you have some of freedom; more influence on how to work with HR and you could look for the perfect fit. Now when it's all processes, then it’s the best for the total and may be not the best for the local.”
In light of the findings in this theme, it is apparent that the primary reasons for companies to go for HR-SSC are efficiency, quality, cost savings and provide managers scope to focus on more strategic issues rather than having to deal with day to day administrative tasks. Again the importance of these factors (which factor comes first) depends on the industry and presence or absence of competition factor. For example, in public sector competition does not play a vital role, thus quality is the first factor to consider for organization, whereas in private sector the case is the opposite (customer satisfaction is the driver not competition). Both groups of respondents seem to think that manager’s trust is increased in HR-SSC organization, whereas one group said (respondent in private sector) initially this new structure can have a bad impact on human resource employees but it improves over time. Also, trend in the industry has some influence on the decision to go for HR-SSC. So, again we see some difference of opinion and we think this is because the difference in industry type (public vs. private sector).

4.5.3 Theme: Best Fit Vs. Best Practice

When asked if the choice of HR-SSC and success of HR-SSC depends on the factors like geographic location, size of the company, organization strategy etc. response of Mr. X was that if one opts for quality or cost focused, HR-SSC is dependent on the overall corporate strategy and business level strategy. Of course, geographic location plays a role such as setting up HR-SSC in places where it is easier to find employees. According to Mr. X success depends on how much the new structure is being accepted by the people who would be working with it

“If you say geographic location it was depending on ..... like where the center of this county (name of city); where is most administration done already (name of city); where could we get most of our labor which we are going to be recruiting (name of city) so that’s was why were mostly located in (name of city). Of course it depends on what type of services you get on this shared
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Service center because if you have shared service center, you have to identify what kind of services and what type of levels and degrees you are giving and what type of organization you have and those who are heads of clinics, what type of human resource knowledge do they have, and what can they do and what could be help them with. I don’t think the success of this shared service center is primarily on how good human resource people who are working professional with human resource are. I think the success is how good and how acceptable it is for those who are using the service like heads.”

In addition to this Mr. Y thinks that the choice does depends on factors like labor factors, availability of infrastructure, socio-economic factor etc. but there are some dominant factors like cost as a result of competition and suggest it is very important to define different roles before implementing new structures like HR-SSC in order for these structures to be successful.

“We should look at who are going to another country. We should look at other countries and we will look at operation co-factors and importance and main components, labor factors, infrastructure, socio-economic factor, subsidiary factor. I think we are always coming back to the cost factor all the time. We should define HR business partner roles before we define what’s going to the HR-SSC. We define and match the processes inside the HR SSC but we didn’t make end-to-end processes.”

And finally according to Mr. Z it is important to decide which issue to put in HR-SSC and why if HR-SSC is to be a success and organizations need to have a certain size as well (local or multinational).

“The interesting thing is what kinds of issues they want to put and why. Then you can have a purpose, you have to set the goal, this is what we want to put in shared service and this is we want for the benefits, such as efficiency, quality or cost whatever. It needs to have some size of the companies to get the benefits and then certain areas where you want to make. So we need to have some size and of course the ways many companies try to work.”
In summary, the findings suggest that it is not so much the factors that are in the business environment that are external to the business organizations plays a vital role for the success and choice of HR-SSC. Rather, factors which are internal to the organizations such as corporate strategy, in-house expertise or organizational capability and decisions on what type of issues to be put in HR-SSC are the most influential factors for success and choice of HR-SSC. And as needs and strategies are different in different business environments, so is these factors and therefore, it not possible to define a set of criterion that works across business environments.

4.5.4 Theme: Barriers & Recommendation

When asked about the barriers, Mr. X says that the risk of having the wrong issues in the HR-SSC which results from having a misfit between issues put in the HR-SSC and the corporate strategies

“If you haven’t done your homework and put the wrong issues to this shared service center and the wrong questions and the wrong services then the whole system with shared service center could collapse.”

On the other hand Mr. Y suggest that getting the employees commitment to these new structures is one of the hurdle that these new structures need to go through. Also wrong expectation of top managers can jeopardize the effectiveness of the new structure. Also some work processes are not global process at all which can be standardized and need to be sorted out as well.

“I think a lot of barriers. You have to have people around you commit it to do this and you have to explain why you are doing this. They (top management) don’t see the complexity in HR-SSC because they have seen it works in financial sector. If you are top level managers, then you have a salary, you are not having your overtime, and you are not working on Saturday and Sunday. So you may think it is easy to calculate the payroll, but it is not. That's a very big barrier
because they have a wrong expectation when they go to these things. Another barrier, I would say what are global processes and what are local processes. I think payroll is a local process. You cannot put in the same payroll process in everywhere because it is totally different. So you have to define what is global and local.”

And Mr. Z on the issue of barriers says that one of the main barriers is to define what issues will be in HR-SSC and how it will be handled.

“It takes sometimes before it works. There were new process, new contacts that need to be established, new ways of working. Some of these cases, how do you price this, how do you share the cost, how do you spread out the cost for the shared service. When you try to charge too small things, too small amount and try to make too much in detail, then you create a lot of administration instead of reducing.”

When the respondents were asked about recommending ways to overcome these barriers, responses from Mr. X were that companies need to address right corporate strategies first and then put issues which fits with the corporate strategy and recommend that big organizations can reap a lot of benefit out of HR-SSC.

“Do your homework. I think as a big organization you must think in shared service center because it’s always those issues that could be developed and performed in a better way with a shared service center. I don’t think that you could put big organization and everything to this shared service center directly and leave everything else. You have to do your journey with your company with your issues, with your questions, and therefore I don’t think you could give overall comments on this because it depends so much on you.”

We get a similar recommendation from Mr. Y who says that, defining what is possible to do and what is not possible to do is one important aspect to do. Change management is another issue that needs to be taken care of.
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“I think change management and it is really good that these top level managers have a second opinion by someone who has done these. They see what is possible to do and what is not possible to do, what is cost-efficient and what is not cost-efficient.”

Finally, Mr. Z provides with recommendation on how to overcome these barriers and on the issue of which situation prefers functional approach and which situation prefers HR-SSC for organizations and suggest that one way of ensuring smooth running of HR-SSC is to look at how other companies are doing it and pondering questions like why their HR-SSC is successful. He recommends that companies should be very careful about what issues they put in the HR-SSC and why they are doing this.

“In Human resource, you can learn a lot about listening to other people, what they have done. You listen and then reflect because you can never copy anything but you can listen to what did they do, were they successful or not. My suggestion is be very careful what you put in the shared service and why you doing this, what are you looking for.”

And Mr. Z suggests that HR-SSC is not preferred over functional HR if the corporate culture is such that tasks are being done in a very independent way.

“Before the Shared service for a number of years, company C divided the company in business areas and then it was called business units. Basically, all the business areas were managing a lot of issues on their own. One of them was HR so they had their own HR processes and everything. I think that what led up to the decision to create shared service was the coordination. As I said, we were very independent. There were very few things that were managed from corporate level in terms of HR.”
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To sum up, all the respondents seem to be of the opinion that identifying the right issues to put in HR-SSC, convincing people why the organization is doing this, wrong expectation of top management, deciding on what is global and what is local business processes are some of the barriers or factors to be aware of while going for HR-SSC. As for recommending ways to overcome these barriers they suggested organization to do their homework, plan right, have good change management, put the right issues in HR-SSC would be among some of the many. Interesting point made by Mr. Z about preference of traditional vs. HR-SSC decision trade is that the corporate culture, style of working (if corporate style is working independently) are the factors that should determine the preference for traditional functional or HR-SSC approach. It’s basically about who understands the business processes well. If people close to the business units understand the business processes well, then it would be wise to have a traditional/functional approach to human resource management.

4.6 Comparison of Group HR-BP and HR-SSC

From the discussion above it is obvious that most primary reasons for organizations to choose Human Resource Shared Service Center are cost savings, quality and provide the organizations or the managers with scope to focus on strategic task rather than having to think about day to day administrative tasks. The importance of these factors (which factor comes first) depends on the industry structure or the competition variable. On the other hand, companies choose Human Resource Business Partner for efficiency in operation and efficiency in aligning HR with business goals. In addition HR-Business partner also have the similar goal of providing the organization or managers with scope for focusing on more strategic activities and of course to improve customer satisfaction. One difference is that HR-Business partner is more of a role than a new organizational structure which is the case for shared service center. So, size of the company or the
industry structure or competition variable does not play a vital role for choosing HR-Business partner which is unlike HR- Shared Service Center.

This chapter mainly presented the results of the interview and the data we found interesting. The next chapter, we will analyze and discuss the data from this chapter related to the concepts found in the literatures and the data found from secondary sources.
5. Discussion

This chapter is about data analysis. Here, a thorough and comprehensive analysis of the data with respect to literature review is given. First, the data found in the findings chapter are compared with respect to the concepts found in the literatures and then this is again compared with data found from secondary sources in order for augmenting the understanding of the phenomena more deeply. The chapter ends with implication of the findings, a future direction for research and limitations of this research work.

In this chapter, we discussed the implication of our findings with respect to literature and previous research done on the matter. We added and compared data from other secondary sources such as articles, documentations and internet, besides primary data we found from our interviews in order for enhancing the credibility of this research and thereby to have a deeper understanding of the phenomena.

5.1 Changes in the Role and Structure: Part of Evolutionary Process in the Ecosystem of Organizations?

As we saw in the literature review, scholars go about a number of ways when they talk about evolution in organizational theories. Some applies evolutionary process at different levels while some are more interested as to how evolution works (e.g. deterministic vs guided evolution) and how organizations can make use of evolution for
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understanding change (see evolutionary thinking in literature review chapter for an overview of evolution in organizational theory). However, after a careful examination we came to the conclusion that most of the advocates and researchers are of the opinion that evolution has following important properties which are applicable to any types of evolutionary thinking for organizations:

- Evolution works through natural selection or adaptation. It can be pre-deterministic where nature or the environment selects the organisms (i.e. the organization) which best fits the changed context, or organizations can adapt to the changed organizational context for survival by anticipating change through using a variable top management which is termed as guided evolution.

- The basic building block for evolution is the process of variation, selection and retention where variation implies existence of species (i.e. different organization in the same population) with different traits or characteristics, selection implies that the chances of survival for any species depends on the traits and retention implies that these traits can be passed on to one generation of species to another (i.e. from one organization to another).

We, in this work would like to see if the development in the role and organizational structure corresponds to an evolutionary process. This is because if it does, then it would mean a possibility of anticipation of the next change as evolution works in a pre-specified mode of change which implies that change or the development of entities works in a pre-specified direction, typically of maintaining and incrementally adapting forms in a stable, predictable way (Van De Van & Poole, 1995). For doing this we assumed that Human Resource Shared Service Center (HRSSC), Human Resource Business Partner (HRBP) and Traditional Functional Human Resource (Traditional HR) are three different forms or species of the same population with distinct traits. According to Hsu & Hannan, (2005), getting the specifications of forms and of population boundaries right presents a challenge and many researchers rely on industrial or product-market distinctions in specifying organizational population and that some organizational populations cut across industry boundaries as it does not fit any
conventional notions of industry. We took Porter’s (1980) definition which defines industry as group of firms producing close substitute product and we assumed all these forms are part of the same population as they are operates in the same industry (all producing HR service products). Within this population, HRSSC, HRBP and Traditional HR are three different forms. In the following sections, we tried to see if development of these different forms means an evolutionary process by verifying the developments against basic principles of evolutionary process.

5.1.1 From Personnel to Human Resource: A Historical Perspective

Without a historical analysis, it is almost impossible to analyze the trend and therefore to understand any evolutionary process that might play a vital role for these trends. So, we took our historical glasses on and found the following:

Peter Drucker, 1954 in his famous book The practice of management used the term “Human Resources” to focus on the difference of workers from any other economic resources (Drucker, 1954 cited in Bredin, 2008). This was the era when Scientific Management was at the peak when Druker posed several critique against two then existing generally accepted ideas of managing the work force- Personnel Administration and Human Relation for suffering from “lack of progress”, “sterility”, “severe intellectual aridity” and suggested that Human Relation was as oppose to Personnel Administration built on a more right assumptions (Bredin, 2008). Then in mid-seventies and little by little Human Resource Management concept begun to replace Personnel Management, (Bredin, 2008). However initially there were minor changes in the approach (Guest, 1987); a process can be associated with what Darwin (1936), called the process of natural selection which acts on accumulating slight, successive, favorable variation in short and slow steps only (Darwin 1936 cited in Van De Van & Poole, 1995) . Since, 1980 we see a shift from Personnel Management to Human Resource management which was influenced by change in the environmental context such as ‘Japanese quality models’ and the ideas of ‘excellence’ which encouraged new way of
thinking in management (Bredin, 2008). So, the organizational form (i.e. Personnel Department) also changed and the old form slowly extinct, which is also a characteristic of evolutionary process (Van De Van & Poole, 1995).

As we said in the literature review chapter, changes in the environment in last decade forced top managements to search for new ways to establish competitive advantage for the sake of existence. According to Schuler & MacMillan, (1984), companies must build organizational capabilities through better deployment of human resources in order to gain sustained competitive advantage. Also, Ulrich,(1997) stated eight major challenges that HR is facing such as globalization, responsiveness to customer or implementing technology. This gives rise to several organizational structure and new role for HR in business organizations which corresponds to the Variation cycle of evolutionary process. Meaning, as a result of these changes different organizational forms evolved of which some will survive through competition. We see these forms in real life organizations such as SSC, HRBP and HR executive with new role and strategic thinking such as strategic partner, change agent, administrative expert, and employee champion (Ulrich’s model cited in Hunter et.al 2006). We see these developments as development of new forms with different traits which corresponds to the variation cycle of the evolutionary process which in turn will compete for scarce resources in order for survival. We discussed these different forms in detail in the following sections.

5.1.2 Definitions: What Does It Means?

As we see from the above discussion, the shift and change process from a personnel administration to a human resource management (HRM) was slow and incremental which resulted in new way of thinking for managers. Now, due to change in environment, technology and competition we observe a further change from what scholars call traditional HR toward Strategic HR which is about making strategic choice regarding labor processes which are in turn connected to the firm’s performance (Boxall & Purcell, 2000). In this sense, we can conclude that a new change process is in motion.
with new way of thinking and as a result, new organizational structures are arising. So, it is imperative that we understand the definitions of these terms and organization structures (forms in a population) before we further analyze to understand the whole change process.

In the literatures, Shared Service Center is considered to be a form of internal outsourcing and often considered to be an interim step before a outsourcing (Quinn, Cooke, & Kris, 2000). According to (Ulrich, 1995), the term shared service is an organizational phenomenon which occurs when separate business units brought together with the goal of supporting organizational units by delivering needed service with highest value and lowest cost. Hence, this implies that the goal of shared service center is to provide standardized service to organization and thereby provide organizations the means to reduce cost. We found a similar thought about definition of HRSSC when asked this question about definition from practitioner managers. Mr. X who is working for public organization (a county council) in Sweden responded: Human resource shared service center is how we organize our work to support heads of division or directly to those who are working in our clinic. Moreover, another responded Mr. Y who is working for a global company in Sweden responded with: HR shared service center is for me a center where i can place a scale of economics, you can find the quality and the standardize HR processes while using improved technology and self-service system and so on.

So we see a convergent answer both from the literature and practitioner managers when comes the question of definition about HRSSC which is standardization of activities with the goal of supporting organizational business units efficiently.

On the other hand, HRBP is more of a role than a separate organizational structure. According to Beckett (2005), a business partner is a business advisor who utilizes the human capital assets in the most profitable manner. It is new job title in which incumbent acts as a business partner or consultant and assists management in decision making about human capital (Sandstrom, 2002). This is the exact definition we found from the interview about HRBP from Mr. W: An HR business partner in my view is sort
of a strategic HR partner who always has a business understanding and focus when change in the business from and may be through an HR perspective. To me, it’s a matter of business need driving the HR agenda. HR function creates an HR year cycle, and gets the business unit, and follows that HR year cycle. In my view, the HR business partner is always part of a management group for the business in which the HR Business partner is a member.

For keeping our work to a manageable length and for the sake of analysis, we take any other forms or organizational structure as traditional HR or functional HR as we can find and differentiate between so many other forms of structures in literatures and probably in real life. Mr. Z, who is the HR manager for a large Swedish multinational company in Sweden and whose company recently changed its organizational form from HRSSC to traditional HR because of HRSSC’s failure for his company says: *all the business areas were managing a lot of issues on their own. One of them was HR so they had their own HR processes and everything. The top management of our company was basically at in each area to deliver certain financial resolve and didn’t coordinate administrative issue or HR issue. The units around were very much like company within the company.* So this gives us an idea about how traditional HR would look like; for Mr. Z it was a decentralized approach with autonomy where every unit has the right to figure out and resolve their own issues in their own ways.

In summary, we do not see a significant difference in the perception of academics or literatures and practitioners when defining these various forms of organizational structures. We see both, HRSSC and HRBP acts as a consultant for business organizations with the goal of bringing efficiency in organizational works.

5.1.3 Types and Tasks: Different traits means different forms in the variation cycle

Now that we have an understanding about what does these different forms means, it is time to understand what type of task these different forms do for businesses. Variation
in evolutionary terminology refers to successive change in the traits of forms. These changes eventually create new forms and replace the old ones. As we took HRSSC, HRBP and traditional HR as different forms of the same population, we now need to check for different traits or characteristics (which in other words means what these forms do for organization) that create these different forms if we are to understand the variation cycle.

Literatures on HRSSC suggest that HRSSC is a relatively new structure which leads to the centralization of activities to avoid duplication at the same time remain responsive to local business needs (Jassen & Joha, 2006). There are different roles of HR stuff within a HRSSC, at the first tier there are call agent who provide basic problem solving; at second tier there are HR advisor who and at the final tier, there are HR experts involved in policy design capability (Reilly & Williams, 2003). HR Shared services include the provision of compensation, benefits, payroll, organization development and performance management through deploying integrated human resource information system technology and self-service functionality to deliver the highest value at a reduced cost for multiple line managers and employees (see literature review for a complete overview). A similar answer we got from interviewing Mr. X: For an example, we have help desk; in if you are as a head of clinic as a problem came, how you should write contract with a member or stuff member, then you could call human resource shared service and ask for some hint instead of that should look to everything on the computer and search for the right answer. He or she could just pick up the phone and get efficient human resource member to help him or guide him. This is to say that standardization of HR activities in order to get guidance where HRSSC staff acts as a HR advisor. According to Mr. X the basic idea of HRSSC is to take away all the administrative tasks from line organization and put those tasks in HRSSC in order for achieve standardization: Why we choose quality focused shared service center is may be because we truly believe that if we do this shared service center, we could develop the quality of those who are heads and chiefs so the chiefs and the heads could focus on development than that of making administration. On the other hand, Mr. Y voiced similar opinion about the task HRSSC performs for him except for the strategic role
HRSSC plays for his company: *we work with but we suppose a company in Sweden with these roles and HR administration, recruitment and employer branding and mobility, laws and agreements, compensations and benefits, life-span, pension and insurance. We have this center of expertise. So it is not just only transactional. I think we have also strategic.* Both the respondent identified with two basic types of HRSSC: cost and quality focused which makes all the difference about how the tasks are performed. *We choose quality focused shared service center (Mr. X)* while Mr. Y said: *I think for us it was a cost and the quality came as a second. Cost is the first priority; this is because of the industry or the environment these two companies are operating in. Mr. X said as competition is not relevant for them (a public organization) it is so much customer satisfaction than other forces that drive their motives in running HRSSC: *yes we don’t have that factor (competition) but we always have this factor to be better to develop ourselves and develop this organization but not to be better than anyone else. To be better because our customers are all taxpayers in the province demanded from this organization to be better. That’s the trigger for us.* While Mr. Y says it’s the cost factor that drives the organization of the work in HRSSC more than anything else because of intense competition in the business environment and we see difference in the way HRSSC works depending on its focus.

HRBP or HR Business Partner is more of a role than an organizational structure which can also be an alternative to HRSSC. Literatures suggest us that the role HR business partner takes is that they help HR professionals to integrate more into the business process and to align their day to day activities into business outcome which means they should concentrate more on deliverables (Ulrich & Brockbank, 2009). We can see HRBP doing similar job as HRSSC such as find out the most effective ways to attract people with right skills and hiring them before competitors do (Ulrich & Brockbank, 2009) which suggest us to conclude one of the task of HRBP is to provide help with administrative tasks. We find this evident when asked about task performed for the company to Mr. W: *To me it’s a matter of aligning HR with business needs, without the business partner, without having a business focus HR can never adjust actions and*
support because we are a support function and of course one of our goals is to have a right competence ..... having the right competence in the right place.

In light of the discussions above, we can conclude that both HRBP and HRSSC provides the business organizations with administrative support and the way they do (significant traits or characteristics) depends what the organizations focuses on (cost or quality focus). Although we see a number of commonality between these forms it’s the difference in traits that makes them different forms in the same population which indicates a variation cycle in motion where different forms takes on different traits with a common ancestor in this case it would be a traditional functional HR department which was previously doing these exact works for the organizations.

5.1.4 Part of evolutionary process: what do we conclude?

“Over time, as environments change, the variation in traits can make organisms more or less fit such that the former are more likely to survive.”

Source: O'Reilly, Tushman, & Harreld, 2009 (page 77)

So, we can see variation in the evolutionary cycle as a responding mechanism which increases or decreases the likelyhood of survival for any organizasms or in our case forms. This implies one other important features of evolution: certain types of change in the environment is likely to produce certain types of variation in traits in order to ensure survival of forms. So we tried to find out what changes in the environment is producing what variations in traits for the forms we are concerned about.

There are a number of reasons or factors that drive the choice of HRSSC and other organizational forms. According to literatures, new technology development, influence of organizational structure and corporate strategy, cost reduction and being more customer focus are some common reasons among many for HRSSC (see literature
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According to Income Data Services (IDS), 2000, technology is a prerequisite for cost reduction and time savings and which also helps to improve quality and productivity at the same time. Scholars like Horan & Vernon, (2003) claims that HRSSC can save up to 15% to 40% of the labor cost while others suggest that concentrating particularly on a cost proposition has its limitations. Leland, (2000) also suggest to have a customer focus instead. All of the debates in the literatures seem have been around the factor of cost, quality and efficiency when suggesting about what should HRSSC’s do for organizations. While validating these views, we found that the importance of reasons and the most influential choice factors varies from organizations to organizations while the overall reasons remain the same for all companies (cost, quality and efficiency) and this can be seen as the direct outcome of the environment the companies are operating in, the corporate strategy which is again influenced by the external environment which is responsible for companies decision outcome of choice between for example a quality or cost focused HRSSC. In the words of Mr. X: *I think it’s most Efficient. If you say efficient, you can also say with quality because every head of some division doesn’t do recruitment everyday but its HR shared service are expert on that.* This is not the only reason that influences the decision to go for a HRSSC, companies create HRSSC so that their HR can be engaged into more strategically oriented works. Mr. X on this: *we were thinking number one that we would get more efficient organization. Number two was that we were thinking that if we created this shared service center they could create a facilitator so they could work together more efficient more creative than in the organization. So it was both efficient and for themselves they could development their own creativity and competence.*

Then we get a slightly different view from another respondent who is working for private sector company where he says it’s cost that comes first in their list when think about what factors influenced the most for choosing HRSSC. In the words of Mr. Y: *A lot of focus on cost and to become a leaner and quicker, and the standardized, the processes inside of (the company) so we have the united forms.* This implies the influence of competition which is external to the organizations is strong on the decision making process. A same view is rejected by another respondent who is also working in
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private sector, Mr. Z said: *I think there are two big drivers; one is money of course, profit that you want to be more effective and thereby save money. The other one is to raise the quality of the delivery.* So we see the priority, type of job and the focus gets changed depending on the environmental factors though the motivations may remain the same for all (reduce cost, increase quality or achieve efficiency). This view is enhanced by other research; for example according to a research conducted by Hewitt Associate & sharedXpertise (2007), the motivation among multinational companies in EMEA region is changing from cost to customer focus although a major percentage of the motivation (i.e cost) is still in place.

On the other hand, motivations for other forms such as HRBP are also similar to HRSSC (i.e. cost, quality and efficiency). Literatures suggest that one of the reasons for why corporations go for HRBP is the need for growth which in turn contributes to their goal of competitive advantage. Ulrich & Brockbank (2009) suggest that the role HRBP should take is to integrate themselves into business processes and align their day-to-day activities with business outcomes. This view is validated in our data where respondent Mr. W said: “*To me it’s a matter of aligning HR with business needs, without the business partner, without having a business focus HR can never adjust actions and support because we are a support function. For us being HR business partner, we can help providing guidance and support. And of course one of our goals is to having the right competence in the right place.*”. Again we see the paradox of influence between cost vs. quality. In the words of Mr. W: *If you focus on the HR strategies to have its place which in turn are based on the business plan and the company’s overall goal then yes that’s the purpose absolutely…..not so much to do with cost.* This is because according to Mr. W: *I don’t think that is a matter of cost because there is always getting a return on investment on HR actions is very difficult.* So we see a bit of a fix here which suggests us that calculating return on investment when it comes to HR is very difficult therefore having HRBP should not be based on cost. It is worth mentioning that HRBP, at least according to our data is still concentrated on providing support for administrative activities.
A number of factors which are beyond control compels organizations to go for these different forms which would provide them with the means to survive in the environment they are operating in. Literature tells us intense competition, the growth of globalization and the need to search for a sustainabil organic advantage are some of the factors that force organizations to go for these forms. For example Reilly (2000) suggests that one reason for setting up HRSSC is to achieve a greater structural flexibility in order to respond to change in the business environment (see drivers and reasons for implementing a shared service center in the literature review chapter for a more detailed discussion on this matter). We also found these reasons to be valid when collecting data although for different organizations, the drivers where different depending on the environment they are operating in. For instance, Mr. X’s company, which is a public company does not have this competition as much as other private companies but still is always searching for better ways to improve because of the customer satisfaction factor or because their customer demands them to improve their service. In the words of Mr. X: we always have this factor to be better to develop ourselves and develop this organization but not to be better than anyone else. To be better because our customer are all taxpayers in the province demanded for this organization to be better. That's the trigger for us. On the other hand competition is the main factor for the company as identified by Mr. Y who works for a private company: I think the competition is the main factor for going for this because you are always trying to lower your cost all times. We are looking for low salary environment which we can put some transactional jobs. A similar view is reflected in the opinion of Mr. Z who said they were influenced by other companies who went for HRSSC before them: Yes, of course. You look at how other companies make things. And if there are a lot of companies doing this, then of course you look at it. But i think it's not that we did it because other companies have done it. We considered it. Other source on the issue seems to validate these ideas, for example decision for setting up HRSSC for P&G was an outcome from pressures from intcreasingly competitive markets (Sako & Gospel, 2010).
We see a very similar view with respect to other organizational forms in the literatures. For instance, the new role of HR and the need for an HRBP is thought to be encouraged first by the famous HR academic Dave Ulrich, when he proposed in a book that HR is facing eight main challenges and in response to these challenges, companies should go for HRBP (Ulrich, 1997). When we look this up, we found: I would not say it’s a matter of competition. It’s more a matter of facing the new generations coming through to be able to facilitate the mind-shift that co-workers have and the expectations they have when they come in (Mr. W). We can see Mr. W talking about the mind shift which in other words means change in the attitude of the organizations top management and change in the expectations of the co-worker which plays the role which we can see again influenced by the change in the business environment (i.e. intensification of competition) in deciding for HRBP.

We see a lot of enthusiasm about these forms where most of the literatures are talking about all the positive sides that these forms can bring. But these forms can fail as well although failure is rarely mentioned and studied in literature. For example, Steven Kerr from General Electric (Quinn et al., 2000): ‘‘Shared services, like outsourcing, is not a panacea for all functions. Sometimes it works and sometimes it is not the right strategy—especially if it has been forced upon reluctant business units. It is not a hammer!’’. Although rarely reported (Aksin & Masini, 2008) shared service can fail which made it interesting for us to investigate about failure of HRSSC. So when we asked Mr. Z about why they changed back to the previous after implementing HRSSC, he said: I don’t agree it was a poor execution and lack of knowledge. It was more about in a part it was not a right way to organize this issue for this company. My personal point of view, I did not see the cost saving that we looked for. I think in some parts we didn’t get the high quality and may be also that we needed to put some parts back to be more efficient more locally. Mr. Z also suggested that the issues that were put in the HRSSC were not in line with the overall corporate strategy that was the main reason for failure of HRSSC for them. In other words not all corporate strategy supports the idea of HRSSC.
Based on the discussions above, it is now evident that HRSSC, HRBP and traditional HR are all different forms with different traits in the same population and the changes or variation corresponds to an evolutionary process for this phenomena. These variations or changes in the traits are caused by changes in the environment which in turn help these forms to ensure survival. Organizations choose HRSSC and HRBP because they want to reduce cost, increase quality or achieve efficiency. Existence of these factors is also because of changes in the environment such as competition and changing customer preference. Not all changes in the environment carry same significance which produces enough influence to cause variations in the forms (e.g. a cost or quality focused HRSSC). For example as for Mr. X’s company which is a public company competition does not play a vital role than changing customer preference so is there need for variation; which explains why they have a quality focused HRSSC rather than a cost focused one. On the other hand, failure to produce enough variation causes organisms or forms to die or extinct (O'Reilly, Tushman, & Harreld, 2009) which we can see the case of Mr. Z’s company where they had to shut down HRSSC because it did not match their overall corporate strategy which in turn failed to produce expected services. In conclusion, we can see a clear trend which suggests us an evolutionary process to be in motion and it seems the overall process corresponds to the cycle of variation as we see organizations still have all or at least few of the forms in place (for example Mr. X’s organization uses both functional and HRSSC and Mr. Y’s organization have HRBP and HRSSC in place) which indicates a variation process still in progress which should eventually move on to a selection cycle where only fit forms will survive.
5.2 The quest for a standard key success factors

Now that we have an understanding of the change process that is taking place in the business world, it is time to ask ourselves next crucial and logical question: what makes me successful in this rapidly changing context? To get an acceptable answer to this question, we first turned to what literatures have to say about this matter. We found that there are two competing schools of thought or theories namely “Best Fit” and “Best Practice” where the best practice model suggests that it is possible to develop a set of key success factors which are critical to success of the HR strategy. Among many advocates of “Best Practice”, most influential are a set of seven practices advocated by Jeffrey Pfeffer (Pfeffer, 1994 cited in Boxall & Purcell, 2000). However, this major theme of personnel management is seriously questioned because the list of practice varies (Becker & Gerhart, 1996). On the other hand, the “Best Fit” model takes a configurational approach and suggests that key success factors depends on the stages of development or the nature of the environment, organizations strategy etc. (Boxall & Purcell, 2000). If in the context of HR best practice can be applied, we could conclude the possibility and perhaps come up with a set of criteria that should work across different organizational environments (see literature review for a complete overview of “best fit” vs. “best practice”).

Keeping the best practice model in our mind, we asked practitioner managers how much influence the external environment asserts on organizations and if the difference in environmental influence can be overcome by some mechanisms: I think it depends on what business it is, how good the heads are the human resource questions issues, how they have been implemented before, the journey how educated are those heads .... And those human resource professions, how good are they to be service as a business partner before you start the journey (Mr. X). This implies that one cannot ignore the differences in external as well as internal environment as we can see the comment of Mr. X who said that success depends on the type of business and the level of knowledge employees posses about human resource issues. Another responded Mr. Y echoed a somewhat similar statement: it depends on what kinds of infrastructures you have,
system wide and policy wide. The controllable factor is the systems, policies, processes, solutions. The uncontrollable factor is labor market. So we see it is not possible to completely overcome the difference in external and internal environment when go for setting up HRSSC. In addition to this, other forms of HR organization such as HRBP we get a similar picture where respondents say that the choice of focus (cost or quality focus) or the decision to go for these structures at all does depend on factors such as size, environments etc. In the words of Mr. W: I think the HR business focus in my view always has to be the same but using HR business partner as title. Then the smaller organizations it’s not something that I can see happening than they are HR managers and for midsize and large companies. Then you have HR managers and then you can have HR business partners.

So, we see that while setting up or pondering for these novel forms of organizations, the impact of external and internal environments such as competition, size of the operation and corporate strategy etc. has to be considered carefully. When we approached practitioner managers with the question if we can develop a KSF (Key Success Factors) that is applicable across diverse range of organizations, we found: Of course it depends on what type of services you get on this shared service center because if you have shared service center, you have to identify what kind of services, what type of level and what type of degrees you are giving, and what type of organization you have and those who are heads of clinics, what type of human resource knowledge do they have, what can they do and what could be help them with (Mr. X). So it’s a matter of what is the goal of organizations rather than having a common KSF that works with all. We get a similar picture for another respondent Mr. Y who says: When we are looking at setting up this center, you have to have system functioning and document handling system and the mutuality is very different between different countries. This is equal to say that because of different environment, the issues to be put in HRSSC are also different and success depends on how well organizations can find tune these issues with the overall corporate strategy, as Mr. X says: I think the success is how good and how acceptable it is for those who are using the service like heads. We have been working a lot with those heads and educate them in human resource so they are good.
prepared themselves to answer and do human resources work. They are using this shared service center just in case if they are not familiar with that issue or type of human resource question. That I think is success. Moreover, we also get crucial insight from Mr. Z who thinks: I think some of our shared service may be they were not implemented in the correct way in the local business unit, in the local HR. It needs to have some size of the companies to get the benefits and then certain areas where you want to make. So we need to have some size and of course the ways many companies try to work. So we see a need to have a correct way which is very dependent on these internal and external factors.

Other forms such as HRBP call for a similar awareness for organizations when come to the question of KSF, Mr. W who is also working for company B says: In my view, there is one characteristic which is absolutely most important and that’s the ability to build a relationship, a trustful relationship in terms of having a drive, having the energy to run through the questions at hand and being able to follow up on what has been done. How you create the trustful relationship with a person is different from culture to culture. You will have to describe the subsets of those characteristics in each culture. You are in but that subset is very difficult to define because how you are perceived as a trustful person in other view. It has a lot to do with your level of self awareness. In my view, it’s not that easy to define. This clearly shows us that although we can use some generic term such as “trustful relationship” or “Networking” the meaning is still very different from culture to culture or business environment to environment. Except for one fact, that as HRBP is more like a role in a smaller company the line managers can take up this role and act as a HRBP rather than having a separate HRBP as a title. Using HR business partner as title, then the smaller organizations it’s not something that I can see happening than they are HR managers and for midsise and large companies, then you have HR managers and then you can have HR business partners (Mr. W).

We see evidence not favoring the notion of KSF for these structures in other research as well although some academics claimed that “best practice” (Leland, 2000) is possible and we find this to be true when we look for data from other sources; takes for example the case of Aksin & Masini (2008) where outcome of the research conducted in europe
rejects the idea of presence of a “Best Practice” and advocates in favor of taking a “configurational approach” for organizations and suggests that the effectiveness of shared services projects depends on the need arising from the environment the company is operating in. So, we can now clearly conclude that as the factors which are external and internal to organizations are different for organizations, so is factors critical for success for different HR organizational structure and therefore developing a set of KSF (Key Success Factor) is not a possibility for organizations.

5.3 Implication for managers

In light of the discussions so far, we should now have an understanding of the change process taking place in terms of HR organizational role and structure with a holistic point of view. We should now also be informed about what are the motivations for these changes and what are the factors critical for success of these novel organizational role and structure. Now its time for asking ourselves the classic question: “What’s in it for me?” where we could be able to discuss and what these findings means for organizations pondering for adopting these novel structures and roles.

Firstly, as we saw in preceding sections, the whole change process can be explained with the help of organizational evolution theory. This has some serious implication for managers who are facing the challenge of these changes and these are:

Resulting from analysis presented in this paper, managers can now think in a holistic manner and as we know from scholars like Lovas & Ghoshal (2000) who propose that the evolutionary process can be guided through forming strategy from day-to-day actions and decisions made by a firm and provide a for guided evolution consisting of five elements. Practionar managers can make use of this model which would give them with a powerful tool to cope with these changes. Following are some of the understanding we get from thinking in a evolutionary perspective:
• When formulating strategy, managers should look out for changes in the environment such as intense competition or changing demand of consumers and decide on which factors are most relevant or which factors influence these changes the most and make provision for these critical factors in the corporate strategy.

• And provision for these changes should also be incorporated in the new HR organizational structure. For instance, organizations should go for a “quality focused” HRSSC and put issues accordingly in the Shared Service Organizations if the most critical factor in the environment is “increasing demand for quality from the consumers”.

Apart from thinking in a evolutionary perspective, we can come up some recommendations based on the research we have done:

• Choose and develop the structures according to corporate strategy, employees’ level of knowledge about Human Resource Management and level of acceptance of these structures by the core employees, especially the employees who will be working directly with these new structures (i.e. HR employees).

• Put emphasis on change management, as a good change management means the new structure gets acceptance fast and thus will result in a success faster.

• HRSSC means standardization, which in turn means taking HR away from line management and if organizations have a line management who understands the business best then it would probably be better to keep a traditional functional approach then to think about HRSSC.

• When going for HRBP, it is very important that top management understands clearly what to expect from HRBP and more importantly they know why they are going for HRBP if it is to be a success.
5.4 Caveat Emptor: What to watch out for

There is probably not a single option exist without some challenges or barriers overlooking which would render the whole idea to cause nothing but failure and these new structures are not an exception. Following are some factors to watch out for when going for any of these structures:

- Plan right before deciding on which structure to go for and pick the most relevant change factor from external environment. Failure to anticipate the right issue will result in a wrong corporate strategy which in turn would cause a mismatch or misfit between the new structure, corporate strategy and expectation of line management and thereby cause to the whole system to fail even if there is an excellent structure (e.g. efficient HRSSC) in terms of skill in place.

- Define the role of people working with and in these structure very clearly where everyone understands what they are doing and more importantly why they are doing it, otherwise there will be a group of de-motivated people who does not understand the system well and finally the whole system collapse.

- Some parts will not work in new setting even if they seem eligible candidate for taking away form core organization. For example, HRSSC will not work according to plan if the employees are too much habituate with high degree of autonomy. So it is better to work out these issues before deciding on these structures.

- The most important factor is to ask “why” question before going for any structure; otherwise it would result in a wrong expectations from top management to lower level executives which could result in a failure for the whole structure.

In summary we conclude that there is no “magic bullet” when we think about these new structures. It is so much dependent on the corporate strategy, the external environment the organizations are operating in and the expertise available to execute these structures.
properly in order for the success of these organizational structures. Success or failure depends on how careful the organizations are in assessing these factors and how well they can manage these factors.

5.5 Conclusion & Limitation

In this research work, we tried to provide with a holistic picture of what type of change is taking place in terms of HR now a days and how should we go about understanding these changes and most importantly how to cope with these changes. Firstly, we presented how taking an “evolutionary” perspective might help in understanding the phenomena and how it can affect corporate strategy. Then we dive deeper into the phenomena by drawing on primary data about what factors are most important for organizations and what are the potential pitfalls of these different structures. Overall, with the help of previous research done about this matter and the data we found from our own research, we came up with some recommendations and barriers to watch out for organizations which are facing these challenges. The most important aspect of this works is its attempt to understand the phenomena as a whole through applying evolutionary perspective which would provide academics and practitioners with a direction to think when facing the complex changing perspectives.

The first and foremost limitation of this work would be its inability to incorporate more perspectives by adding more data. This was partly due to time and expenditure constraints which constrained us from taking more interviews with existing and perhaps new interviewees which would increase the validity and might provide with a more deeper understanding. Secondly, as all the interviews were taken in Sweden there might be a question of transferability of the outcome of this work to other regions like U.S or other parts of Europe. Last but not least, studying these changes over a long period (which is often the case for evolutionary thinking) with a historical perspective would be a more appropriate choice in order for understanding these phenomena more
clearly and deeply which could not be done due to unavailability of time which is also a limitation of this work.

A future direction of this research would be a look into “Guided Evolution” and perhaps develop and apply framework like Lovas & Ghoshal (2000) in order to come up with detailed recommendations about what strategies would be most useful for these phenomena. Finally, incorporating other structures and factors such as outsourcing to third parties into the research context would be good idea which would provide with a wider and better picture of the whole scenario.
6. Bibliography


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Appendix

Appendix 1: Interview Questions: HR Business Partner

Theme: Background of the interviewee

Q: What is your position in the organization hierarchy and tell us a little bit about your professional experience, specially the experience with HR business partner.

Theme: Definitions (Ontology & Epistemology of HR Business partner)

Q1: What is HR Business partner in your opinion?

[Explanation: The answer should at least define the role of HR-Business partner]

Q2: What is the job of a HR Business Partner?

[Explanation: the answer of this question should provide short job-description of HR-Business partner]

Theme: Evolution Vs Dialectic Development

Q1: What are the main reasons for HR business partner? Can you rank the reasons for why your company went for HR-Business partner, if possible?

[Explanation: The first part of the answer should discuss about why company choose HR-Business partner and not other forms of HR like Shared Service Center. In the second part the answer should talk about cost-benefit trade-off i.e. which is more important- cost or quality or efficiency]

Q2: How HR business partner can help accomplish business objectives?
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[Explanation: The answer should explain the relationship between HR business partner and corporate strategy; for instance, the corporate strategy is to enhance competitiveness through efficiency and using HR business partner makes sure of that (Here a short description of how HR-business partner does that, is requested)]

Q3: How HR business partner translate business strategies into HR practices?

[Explanation: It’s a similar question like Q2. Only the answer should concern how HR-business partner affect business level strategy (e.g. business level strategy is to have a flat organization)]

Q4: How does using HR-Business partner affect employee satisfaction?

[Explanation: Here the answer should discuss about core employees perception of HR-Business partner, what happens to the quality of service the employees get when organization switch to HR-business partner, what happens to trust between employee and HR-Business Partner]

Q5: “Using HR-Business Partner enabled our company to free up resources and focus other strategically important task” – what do you think about this statement, can you elaborate?

[A self explanatory Question asking for subjective comment on the matter]

Q6:” Using HR-Business partner is the only option for escaping today’s fierce competition”- What do you think. Can you elaborate?

[A self explanatory Question asking for subjective comment on the matter]
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**Theme: Best Practice vs. Best-Fit**

Q1: Is there any particular set of characteristics that makes an individual attractive or suitable for the position of HR-Business partner?

[Explanation: the answer should discuss what one look for in an individual when considering him/her for the position of HR-Business partner]

Q2: Do you think there is a linkage between performance and behavioral traits? Please elaborate.

[Explanation: The answer should explain if certain behavioral traits (e.g. extrovert personality) lead to effective and efficient performance for the role of HR-Business partner]

Q3: Is there any particular set of criteria that are important for the success of HR-Business partner regardless of the size and the geographic location the company is operating in?

[Explanation: Answer to this question should concern if it is possible to come up with a set of criterion that are pre-requisite for the business organization regardless of the company’s size (e.g. Local, International or Global)]

Q4: Is there any relationship between the size of the company and the need for HR Business partner position? Please elaborate.

[Explanation: The answer should concern issues like if using HR Business partner depends on the size of the company (e.g. “Only global company would benefit from using HR-Business Partner”)]
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Q5: Describe the importance of forming and maintaining formal and informal network relationship between senior management, Line managers and Employees as a HR Business Partner role.

[Self explanatory]

Q6: What do you think about HR Business partner’s role as Trusted Adviser, Change Agent and Boundary Spanner? (Employee job role boundary)

[Explanation: Answer should concern issues Trusted adviser: relationship with senior management, Change agent: role of innovating and implement change in the organization, Boundary Spanner: Relationship with middle and first line employees]

**Theme: Barriers and Recommendation**

Q1: What are the major barriers in the job of an HR Business partner?

[Self Explanatory]

Q2: what do you recommend in order to overcome these barriers?

[Self Explanatory]

Q3: Give us an overall concluding remark about HR-Business Partner

[Self Explanatory]

Thank You for Your Time. We Greatly Appreciate Your Help
Appendix 2: Interview Questions: HR Shared Service Center (HRSSC)

*Theme: Background of the interviewee*

Q: What is your position in the organization hierarchy and tell us a little bit about your professional experience, specially the experience about HR-Shared Service Center (SSC).

*Theme: Definitions (Ontology & Epistemology of HR-SSC)*

Q1: What is HR-Shared Service Center?

[Explanation: The answer should at least define what HR-SSC is]

Q2: How many types of Shared Service Center (SSC) can you identify? Can you explain the types?

[Explanation: The answer should explain how many types of HR-SSC’s are there and what their focus (e.g. a cost-centered HR-SSC intends to cut cost whereas quality-centered HR-SSC aims at improve the service quality)]

Q3: Can you explain the tasks Shared Service Center (SSC) performs for your organization? Why did you choose this type? Can you explain?

[Explanation: The question asks for a short description of what HR-SSC does for your organization. The second part requested for the justification of your choice of HR-SSC type (e.g. why did you choose a cost-centered SSC and not a quality-focused SSC)]
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**Theme: Evolution vs. Dialectic Development**

Q1: Why HR-Shared Service Center? Can you rank the reason for why your company went for HR-Shared Service Center (SSC)?

[Explanation: First part of the answer should talk about why you think companies now days go for HR-SSC. The second part requests you to talk about what particular reasons led your company to went for HR-SSC and provide a list of important factors which influence the choice of HR-SSC, if possible]

Q2: What corporate level strategy influenced switching to HR-Shared Service Center (SSC) from traditional HR functional approach?

[Explanation: The answer should explain why the company chose HR-SSC over traditional functional HR. At least the relationship between corporate level strategy and the choice of HR-SSC is expected (e.g. The corporate level strategy is to build competitive advantage through efficiency, hence switching to HR-SSC)]

Q3: What impact does HR-Shared Service Center have on employee trust? What about employee satisfaction? Can you elaborate?

[Explanation: Here an analytical comment on the impact of HR-SSC’s activities on employee job satisfaction and their trust to the organization is requested]

Q4: “Extreme competition is a dominant factor for companies to switch to HR-Shared Service Center”- do you agree with this statement? Can you elaborate based on your position?
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Q5: “HR- Shared Service Center is just another tool to build competitive advantage”— do you agree? Can you explain your position more?

[Explanation: Self explanatory question asking for the subjective comment on the issue]

**Theme: Best Practice vs. Best Fit**

Q1: Does the choice of HR-Shared Service Center depend on the factors like, geographic location, size of the organization, organization strategy, competition structure and technological advancement? If yes then what are the most influencing factors do you think?

[Explanation: A very important question indeed, asking for the relationship or the impact of different factors (especially it should concern factors which you think beyond the control of the organization) and the choice of HR-SSC (e.g. cost-centered or quality centered approach of SSC). An in-depth focus on the influence of the industry competition structure is requested specially. In the second part, the answer should talk about a list of most to least important factors for the choice of HR-SSC (here a comprehensive list which includes both controllable and uncontrollable factors is requested)]

Q2: Can you identify a set of criteria that are pre-requisite for the success of HR-Shared Service Center, which are not depended on the factors stated in Q1? Can you elaborate?

[Explanation: Here the answer should talk about if it is possible to identify set of criterion (e.g. a competent manager is all it takes for the success of HR-SSC)
which does not depend on the factors uncontrollable by the organization. If answer to this question is no (that is, the success of HR-SSC depends on the criterion beyond the control of organization) then suggestion about which factors to look for is requested (the interviewee is requested to reflect upon which factors influenced the choice of HR-SSC for his/her organization). For elaboration, the answer should talk about the type of HR-SSC (e.g. cost-centered vs. quality focused) and the influence of factors that leads to the choice of type of HR-SSC is requested]

Q3: “Business needs are different in different places, so the need and choice of HR-Shared Service Center is also different”- What do you think? Can you elaborate?

[A self explanatory question asking for subjective comment on the matter]

**Theme: Barriers & Recommendation**

Q1: What are the major barriers in the job of a HR-Shared Service Center?

 [Self Explanatory]

Q2: What do you recommend to overcome these barriers?

 [Self Explanatory]

Q3: Give us an overall concluding remark about HR-Shared Service Center (SSC).

 [Self Explanatory]

**Thank You for Your Time. We Greatly Appreciate Your Help**
Appendix 3: Interview Questions: HR Shared Service Center (HRSSC): Taking an otherwise view

**Theme: Background of the Interviewee**

Q: What is your position in the organization hierarchy; tell us a little bit about your professional experience.

**Theme: Factors Influenced creation of Shared Service Center**

Q1: Can you tell us about your organization’s corporate strategy before you decided to create shared service center?

[Explanation: Here an overview of the company’s standing in the industry (e.g. “our company was among the top five in the industry”) along with what was the vision and mission at that time is requested]

Q2: How things were done in HR-department before you decided to move on to HR-Shared Service Center (SSC)?

[Explanation: The answer should cover how the HR functions were run before SSC and what was employee and management’s perception that time (e.g. “HR is an important function and it serves the purpose the way we are handling it”)]

Q3: Can you recall the reasons for HR-Shared Service Center? Can you rank them according to importance?

[Explanation: The responded is encouraged to think in terms of overall corporate and business level while thinking about the reasons for creating SSC (e.g.
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corporate level strategy was to outsource the whole HR and HR-SSC was the first step toward that; on the other hand, business level strategy was to enhance efficiency and HR-SSC was thought to serve that purpose)

Q4: “Everyone now switched to HR-SSC, so why not us!”—what do you think? Can it be a reason for you to go for Shared Service Center?

[A self explanatory question]

Theme: What Went Wrong?

Q1: What changed in the day to day administrative task (e.g. compensation design) after switching to HR-Shared Service Center (SSC)?

[Explanation: here comments on the day to day activities compared to the previous structure is requested]

Q2: Can you identify any change in the employee, top management and middle management’s perception after switching to Shared Service Center? Please elaborate.

[Explanation: here subjective comment what these three parties thought when the organization switched to SSC. Special focus on what happened to trust between employee and management and employees perception about this new form of organization structure (e.g. employees felt efficiency and quality of HR task has improved)]
Q3: Cost, Quality of HR-Service or Efficiency of HR-Service, which one of these variables showed improvement after the switch, if any?

[Self explanatory]

Q4: What went wrong? Why did you decided to change back?

[Explanation: Here a special focus on thought of corporate top management and middle management along with what responded thinks went wrong is requested]

Q5: “Poor execution and lack of knowledge made the Shared Service Center a failure”— what do you think about this statement. Elaborate your stand even if you do not agree.

[Self explanatory: responded is encouraged to think even if the question seems repetitive.]

Q6: “Our corporate culture and industry is as such where HR-SSC does not provide with enough incentives” – what do you think? Can you elaborate?

[Explanation: The responded is requested to think about the relationship between corporate culture, the type of industry and the effectiveness of HR-SSC; a particular focus on if the responded thinks HR-SSC works only for certain industry and corporate culture is requested]
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**Theme: Conclusion**

Q1: What is your recommendation for companies considering HR-Shared Service Center?

Q2: Do you think HR-Shared Service Center is just another fad in the industry and is not going to stay? Elaborate please.

Q3: Do you think HR-SSC works best for organization with certain size (e.g. local, global, multinational etc)? Elaborate please.

Q4: Give us an overall concluding remark about HR-Shared Service Center and its effectiveness for today’s business organization.

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Thank You for Your Time. We Greatly Appreciate Your Help
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