

HR Models – lessons from best practice

Initial desk research
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Contents



• The classic HR Model	3
• The challenge of deciding what HR Model	4
• Why have organisations looked at their HR model?	5
• Issues in implementing the overall model	6
• Addressing these Issues	8
• The business partner role	10
• Key issues in implementing Business Partnering	11
• Addressing the Business Partner issues	12
• Business partner skills	14
• Why are companies implementing Shared Services?	15
• Common elements of Shared Services	16
• Common issues in implementing Shared Services	17
• Addressing issues with Shared Services	18
• Outsourcing Shared Services	20
• Common issues in implementing Centres of Expertise	21
• Addressing issues with Centres of expertise	22
• The challenge for global organisations	23
• An emergent global HR Model	24
• Conclusion (the only outcome you won't get is the one you expect)	25
• References	26

Thank you to Alison Doyle for reviewing the report.

Introduction

The classic HR model



Over the last decade a classic model, based on the work of Dave Ulrich et al, has emerged that has three elements (recently he has added to the model but these three remain the core). We don't need to go into detail but we will simply highlight these three key elements: business partners, shared services and centres of expertise:

Business Partners	Shared Services	Centres of Expertise
Establish relationships with customers - line/ business units	Deliver HR services	Create HR frameworks
Contribute to business unit plans	Manage routine processes effectively and efficiently	Develop and introduce strategic HR initiatives.
Develop organisational capabilities	Often using a single HRIS, intranets to provide basic information and call centres for specific queries	Specialised areas such as compensation and benefits, employee relations, learning and development, talent management, OD, staffing, diversity, and workforce planning
Implement HR practices	May be outsourced	
Represent central HR	Back Office	Often depend on the business partners to roll out programmes to the business.
Log needs and coordinate HR services		
Front Office		

In this report we are not seeking to reinvent this model but to review how to implement it effectively. Like so many apparently simple models we believe the model is sound but that understanding the complexities that lie behind it, and implementing it in a way that is relevant to each organisation specific context, are the real challenges. This report is based on extensive desk research over the last few months and will be followed up with a series of interviews to look at the latest view 'from the street'.

(CIPD 2009 Market Wire 2005 Kates 2006 Lawler 2006 Porter 2006)

The challenge of deciding what HR model



In adopting an organisational model for HR the danger is that we believe there is a one size fits all approach. We look for, one model that meets all needs, or look at external best practice in admired companies to decide what model to apply. The problem is that every organisation faces a unique set of challenges in terms of scale, culture, maturity, strategy, market, sector, geography, customer needs etc. Each organisation needs to look at its own context and develop a model that meets its own different challenges. In addition organisations should recognise that in implementing the model there are several underlying paradoxes:

The inherent paradoxes of HR models	
Focusing on long term strategic capabilities and talent	Keeping admin costs low
Creating a single employee experience	Dealing with local employee relations issues
Applying higher level strategic HR skills	Delivering against local tactical needs
Driving a central HR agenda	Dealing with differing local perceptions
Being part of one central HR team	Reporting to local businesses
Creating a harmonious single HR team	Being loyal to one element of HR (C&B, L&D etc) and competing for limited resources
Operating in a central function	Maintaining contact with the business reality
Being a one stop shop	Outsourcing or subcontracting activities, often with local duplication
Delivering a seamless service to the end user	Operating as multiple delivery elements
Allowing a focus on, and the development, of deep HR skills	Maintaining wider generalist and commercial skills

(CIPD 2009 Market Wire 2005 Kates 2006 Lawler 2006 Porter 2006)

Learning point: Do you recognise the paradox of most HR models and are you addressing them?

Why have organisations looked at their HR model?



The drive to look at how HR is organised has in many cases been positive but it has often been a defensive reaction to pressures both from within organisations and from external criticism*. Such a defensive reaction rarely produces an effective response as it tends to focus on cost and efficiency rather than looking at overall effectiveness, especially how HR needs to be organised to meet the changing needs of the business and the environment in which it operates. Drivers for change:

- Dissatisfaction in many organisations with HR's contribution to the restructurings and mergers in the early 2000's.
- Increasing disillusion with HR's contribution beyond following the latest management fad. This disillusion has led to calls to reduce the cost of HR and to see harder measures of outcomes, whilst increasing HR's flexibility and business focus.
- The move in many businesses to outsource non core activities including HR whilst providing a stronger business contribution by enhancing HR's contribution to strategic business initiatives.
- The change in organisational models themselves that are trying to balance the need for centrally driven efficiencies with locally driven responsiveness. This highlights the challenge of providing strong functional expertise with the need to align with different business needs.
- A shift in the role of HR from being employee focused to an organisational and management focus.
- The adoption of ERP systems accelerated by legacy fears in the run-up to Y2K and the use of these systems to improve and systematise administrative and HR processes so they become more efficient and consistent whilst linking seamlessly to the front office.

As one commentator said: *"The human resources function within companies today needs to look at itself much more as a business, because that is how executives are looking at it and expecting it to operate."*

(CIPD 2009 Market Wire 2005 Kates 2006 Lawler 2006 Porter 2006 Ulrich 2009)

*Two examples of this criticism; one fairly old one newer. Both are indicative of what many people outside HR think of HR:

http://money.cnn.com/magazines/fortune/fortune_archive/1996/01/15/207172/index.htm

<http://business.timesonline.co.uk/tol/business/columnists/article6860903.ece>

Learning point: Are you clear why are you looking at your HR model? is it purely a defensive reaction or is it about really supporting the business?

Issues in implementing the overall model



Issues;	Experience has already highlighted a number of issues with the implementation of the overall model:
Drivers	The model is implemented as a model rather than a solution to a specific business need, resulting in a lack of buy in beyond HR and the failure of the model itself to address the underlying issues.
	The model is implemented either in its purest form without understanding the capability of the organisation to sustain it, or elements of the model are implemented piecemeal without understanding the dependencies.
	The model is sold as a way to improve service when the real driver is cost control resulting in mismatched expectations.
Skills	The model requires very different skill sets in each element but often people's job title is simply changed without understanding the skills required and providing effective job matching, orientation and development.
	Business partners are often overwhelmed by transactional work so can't do the strategic element or they are overwhelmed by the sheer volume of initiatives coming out of the Centre who fail to prioritise effectively.
Boundaries	Splitting HR into three parts can create boundary disputes, a lack of joined up thinking and communication gaps. At best there is duplication, things fall through the gaps or there is a lack of coordination. At worst it can even result in open warfare between people in different parts of the model destroying the credibility of the whole especially if central staff lose their grasp of reality if they become physically and emotionally isolated from the business realities.

(Reilly 2006 Ulrich et al 2008/9 CIPD 2009 Market Wire 2005 Kates 2006 Lawler 2006 Porter 2006)

Issues in implementing the overall model (2)



Issues;	
Boundaries	The model often fails when there isn't a real 'one team' ethos, a no blame culture and effective open communications.
	Lines of accountability are not always clearly defined: • A shared-service centre may deliver the service, but the main customer interface is between the business partners and line managers. • Business partners may have little or no control over the service delivery, or agreeing what it should be, but they often face the consequences if it goes wrong.
Line Managers	Managers often aren't consulted about changes to the HR model whilst outsourcing fractures long standing relationships. As a result they may view it as a way to offload HR's unwanted work on to them resulting in frustration that there's no longer a one-stop shop to handle all HR matters: • They may exploit the existence of multiple service channels and go hunting for the answer they want. • They may play shared-services off against centres of expertise, while also involving business partners.

(Reilly 2006 Ulrich et al 2008/9 CIPD 2009 Market Wire 2005 Kates 2006 Lawler 2006 Porter 2006)

Learning point: Have you accepted that the model may not work, identifying potential issues specific to you, and learnt from other people's experiences, rather than assuming it will always work as intended?

Addressing these overall Issues



Issues;	
Design and implementation	Start with the business. Design the model to follow the logic and structure of the business organisation. Understanding its challenges will provide insight into what the model needs to deliver. When the model connects to the business needs, it is more likely to work.
	Differentiate between transactional and transformational HR work. A common mistake is to make administrative HR changes without addressing more strategic issues.
	Evaluate your HR practices, processes and policies. Choose some real situations, and work out exactly who will do what, where the 'hand-off' points will be and how they will take place, not just for HR, but also for the line.
Involvement	Involve the business and all of HR in implementation. It is important that people are involved in any changes that take place, as imposed models have little chance of success.
	Think through how the model can support the line. Explore who plays what role and what HR and line managers need to do. Communication to, and training of, line managers in their new roles, is critical.
	Ensure senior management are seen to be driving the changes. It shouldn't be just an HR initiative or fad, it needs to be seen as a whole new way to deliver support services to add value in a cost-effective manner.
Leadership	The quality of the HR leadership team's dialogue and decision-making regarding what people are working on and how resources are used is integral to the model's success. To make sure the right discussions happen, the heads of the CofE, the heads of the business partners, and the head of the shared service centre must be peers.
	Joint hiring and talent discussions can also help to create interdependence and a sense of a shared talent pool that all HR managers have accountability to develop.

(Acerta 2009 Ulrich et al 2009 Dalziel 2007 CIPD 2009 Market Wire 2005 Lawler 2006 Kates 2006)

Addressing these overall Issues (2)



Issues;	
Governance	Creative and thoughtful governance is yet another way to knit the organisation together and ensure that the right perspectives are in the room to balance competing objectives and determine priorities. In a complex organisation, the leadership team is not always the best vehicle for addressing all issues. Councils and steering committees that involve second- and third-level managers are a way to govern such decisions as standards, commonality vs. customization, staffing of special project teams, allocation of scarce resources such as OD staff, and HR development and training.
	Be very clear on the roles within HR. Ensure everyone is very clear as to their responsibilities. Wherever possible, ensure that it is the HR business partners that drive what is required within HR to meet the needs of the organisation, rather than the more central parts of HR.
Skills	Be clear about the competencies needed and those you currently have in the HR team. Don't simply switch job titles. Invest time in assessment so you have the right people in the right roles and then help them develop the right skills.
Reality	Continually review the effectiveness of the model you have introduced. It is unlikely that you will get the model that suits you straight away. Making the necessary tweaks and changes as required will increase chances of long-term success. Include line managers in your reviews.

(Acerta 2009 Ulrich et al 2009 Dalziel 2007 CIPD 2009 Market Wire 2005 Lawler 2006 Kates 2006)

Learning point: If you have thought through the potential hurdles have you put the necessary fixes in place?

Business Partners

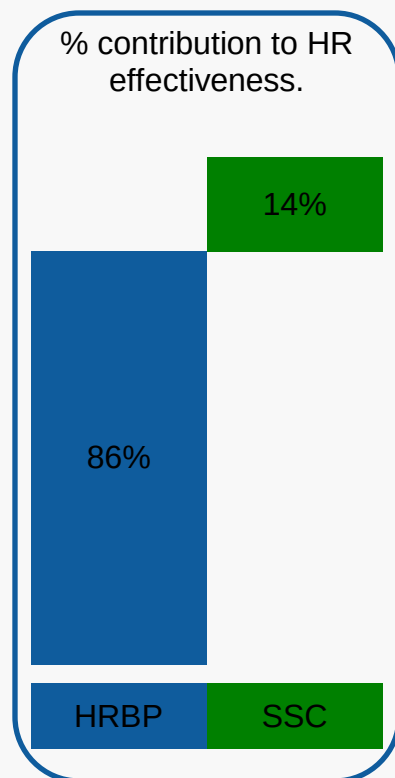
Shared Services

Centres of Expertise



Common elements of the business partner role

Research by the Corporate Executive Board in 2009 showed that regardless of the model, the HRBP role has the greatest impact on HR effectiveness. Not only is the HRBP role the critical element in the model but it is also a highly complex role:



(Ulrich et al 2005, Caldwell 2003, CIPD 2009 Kates 2006 Orme 2009 Corporate Executive Board 2007/9)

Learning point: Have you considered the breadth of the HRBP role?

Business Partners

Shared Services

Centres of Expertise



Key issues in implementing business partnering

Issues	
HR's role	Lack of clarity about what HR's role actually is or the absence of a consistent business strategy within which HR can work.
	HR is marginalised from real decision making (<i>'All this rubbish about strategy is simple self-delusion...personnel people are implementers'</i>), though this can often be down to their own behaviour (<i>'I have spent eight years in the Boardroom and personnel listens'</i> .)
	The impact of the HRBP may vary. Recent research (Alejandro Sioli and Arthur Yeung) shows that the role has greater impact when the organisation is changing than when it's stable
	Line managers, due to their own views and experience, may not accept HR as a business partner, in some cases feeling they know more than HR does about managing people.
Inherent conflicts in the model:	The performance of one role comes into conflict with that of others leading to competing demands and potential role over-load e.g. CofE:HRBP.
	The divergent expectations or incompatible performance criteria in performing a single role e.g., being strategic whilst responding to line manager's tactical issues. The danger is by focusing on the strategic the HRBP is alienated from managers and employees if she disappears from the 'shop floor'
HRBP role	Many HRBPs simply cannot make the transition from their historical role: • They lack the skills – doing admin requires different skills to managing change • They enjoyed or were comfortable with their old role – preferring the certainty of admin to the complexity of managing change • They don't understand the new role
	The way the role is constructed can constrain the strategic elements: the need to deliver short-term business results, a lack of time and training, a lack of incentive

(Caldwell 2003, Ulrich 1997/2005, Caldwell2003, Orme2009, Tamkin 1997 Hope, Farndale, Truss 2005, Francis, Keegan 2006)

Learning point: Are you realistic about the issues you might face or have you simply assumed it will go as planned?

Business Partners

Shared Services

Centres of Expertise



Addressing the business partner issues

Issues	
Involvement	Ensure that there is a clear rationale for the proposed changes and that this is a joint decision between the business and HR, not one that HR tries to foist on the business. The best approach is to view it from the line's perspective first.
	Involve senior managers in the process to secure buy in. This means really listening to their needs and concerns. All senior managers ought to be role modeling and championing the move, not just the HR director.
	Provide clarity and training for line managers on business partnering to manage their expectations.
	Allow sufficient time to ensure that there is a common understanding of what the role is and what it is not, what it means and what adjustments are needed both within HR and across the wider business. As line managers will be most affected by the changes it is important that they are consulted and adequately prepared for the changes.
	Make sure that business partners are involved in the business planning process at the outset and that they are well prepared for planning meetings.

(Caldwell 2003, Ulrich et al 1997/2005, Caldwell 2003, Orme 2009, Tamkin 1997 CIPD 2009 Lawler 2006 Sparrow 2008 Hills 2006, Dalziel 2007, Hope, Farndale, Truss 2005, Francis, Keegan 2006, Reilly 2006)

Business Partners

Shared Services

Centres of Expertise



Addressing the business partner issues (2)

Issues	
HRBP Skills (the next slide outlines the breadth of skills required to be a good HRBP)	The capabilities required by business partners are different to those required in other HR roles. They need to develop different skill sets. The next slide highlights some of these key skills. The real challenge for too many HR people is that they have never worked outside the function so they don't have the intuitive understanding of the business.
	HRBPs need to understand organisation and work design, and change management principles and approaches, and be able to play a leadership role when these issues are considered.
	HRBPs should take an interest in the key business performance measures, for example, sales, costs, margins etc.
	Build teamwork within HR through job shadowing/rotation, joint projects, knowledge sharing, away-days, peer coaching and celebrating joint successes.
	Set the personal objectives of HRBPs (and perhaps those in centres of expertise) so that they are aligned to those of managers in the business areas that they are assigned to.

(Caldwell 2003, Ulrich et al 1997/2005, Caldwell 2003, Orme 2009, Tamkin 1997 CIPD 2009 Lawler 2006 Sparrow 2008 Hills 2006, Dalziel 2007, Hope, Farndale, Truss 2005, Francis, Keegan 2006, Reilly 2006)

Learning point: Have you thought through the behavioural and organisational solutions?

Business Partners

Shared Services

Centres of Expertise

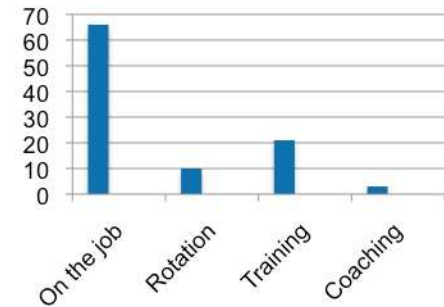


Business partner skills – success as an HRBP depends on developing a whole number of competencies:

Knowing the business, the intricacies of what the line actually does and how the business makes money

Challenging and Influencing line behaviors based on trust

Research by the Corporate Executive Board in 2009 showed that on the job training is the most effective way to develop HRBP skills



Customising or implementing HR solutions in creative ways

Managing culture and making change happen

Having personal credibility/ managing relationship

Communicating clearly

Knowing about strategy, markets, and the economy

Understanding the theory and practice of HR

Knowing the senior management team, being politically savvy

Networking

Persuading line managers of the need for new or existing HR programmes

Holding themselves accountable for outcomes

Believing in themselves and HR

Being objective – involved in the business but able to step back

(Ulrich et al 2005, Caldwell 2003, CIPD 2009 Kates 2006 Orme 2009 Corporate executive Board 2009 Hills 2006)

Learning point: Have a you a clear plan to develop the requisite HRBP skills?

Business Partners

Shared Services

Centres of Expertise



Why are companies implementing Shared Services?

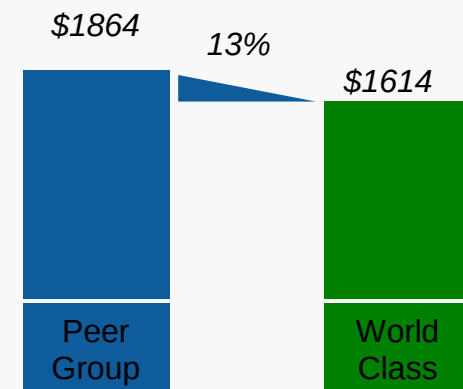
- **Knowledge management** – the chance to share best practice across the organisation.
- **Improved service** – more consistent, timely, accurate data, higher service standards, more streamlined.
- **Employee philosophy** – the belief that employees should look after their own HR services/data.
- **Increased HR credibility** – by doing the basics well and freeing up HR time to work on strategic change/capability issues.

'My credibility depends on running an extremely efficient and cost effective administrative machine...If I don't get that right, and consistently, then you can forget about any big HR ideas'.

- **Cost reduction** – economies of scale, avoiding duplication.

In a recent benchmark survey by The Hackett Group, companies that had adopted an HR shared-services model reported reducing process costs by as much as 80 percent. The savings most often came from reduced staffing in HR. In the Hackett study, "world-class" HR organizations—defined as the top quartile of 125 companies benchmarked— spent on average 13 percent less on HR per employee. However the study highlighted that *"if savings like these are the sole reason a company adopts the model, it will miss the greater benefit of enabling HR specialists to contribute to the success of the business units they serve. Though difficult to quantify, the bigger benefit comes from unchaining HR professionals from their administrative tasks."*

(The Hackett Group)



(Ulrich et al 2005 Caldwell 2003 CIPD 2009 Kates 2006 Lawler 2006 Hauptenthal 2009 Reilly 2000 Hackett 2007 Business Week 2007)

Learning point: Are you clear why you are moving to a shared services model? Have you moved beyond simply cutting costs?

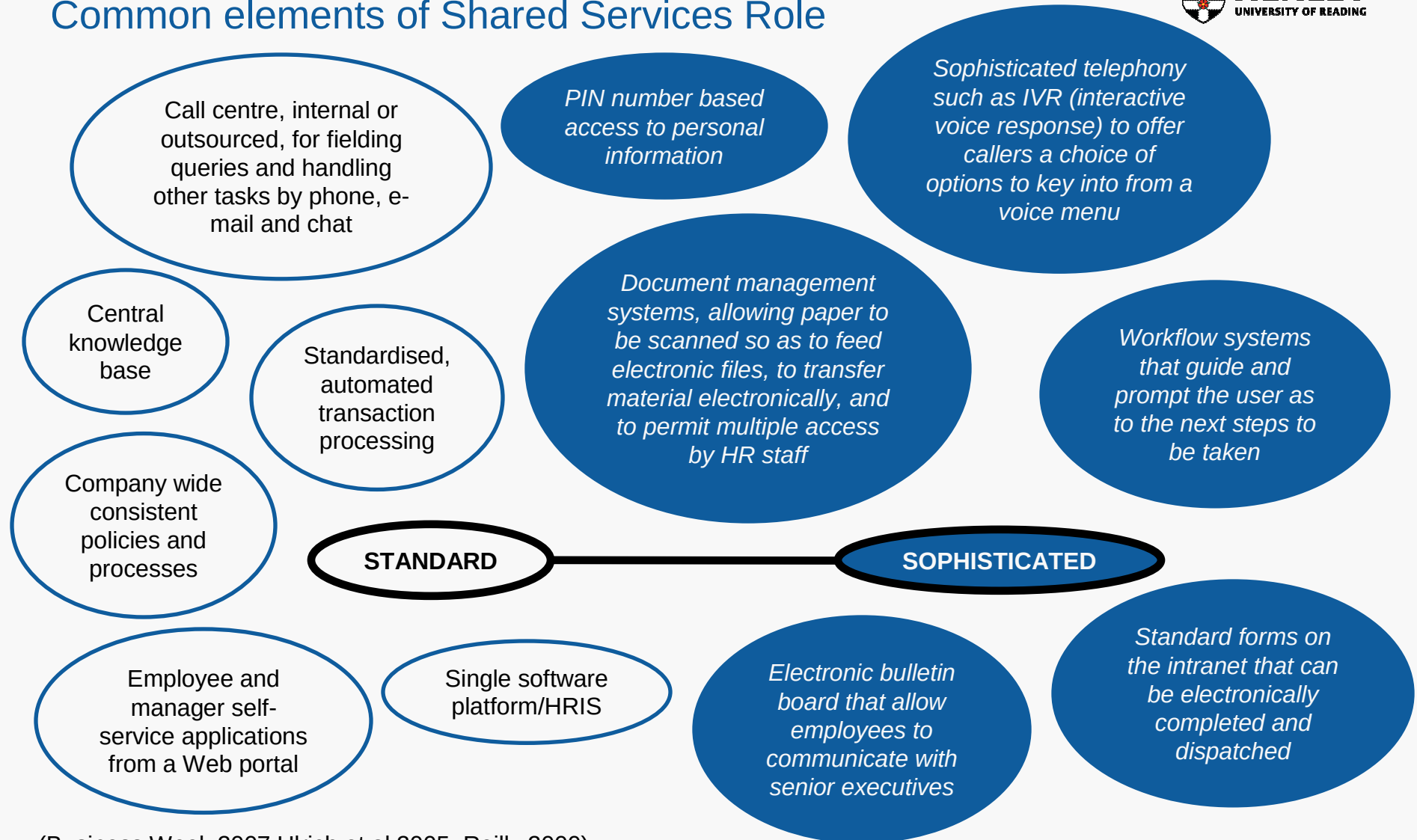
Business Partners

Shared Services

Centres of Expertise



Common elements of Shared Services Role



(Business Week 2007 Ulrich et al 2005, Reilly 2000)

Learning point: How far have you taken your thinking on shared services?

Business Partners

Shared Services

Centres of Expertise



Common issues in implementing Shared Services

Issues;	
IT	ERP systems that are extremely flexible, often become ever more costly to implement and maintain.
	Data protection legislation protects the confidentiality of the personal data that all HR systems hold
	The use of different best of breed or legacy software systems can create costly and time consuming integration problems
Line Managers	Managers are highly paid experts whose time is invaluable. They tend not to take kindly to having to fill in forms, indeed they may lack the time, the training or the interest, especially when it appears to have increasingly less priority amongst HR professionals themselves
	Good working relationships built up between line management and HR can be lost, often to the detriment of the service
	Line managers may feel frustrated at a perceived lack of support for day to day operational HR issues
Unintended consequences	Delayed customer response times leading to decreased customer satisfaction levels
	There is often a longer than expected pay back due to high upfront costs
	It is difficult measuring value added especially when direct cost savings are so easy to measure
Operational issues	Unclear Lines of accountability
	Too rigid implementation of the model, which does not take into account the variable needs of different customers
HRBPS	By stripping out operational tasks, HRBPs may feel they have lost their raison d'être, control over HR delivery and their own credibility
The SSC team	Neglecting the importance of the experience of incumbent administrators in staffing new positions, undervaluing their work
	Teams concentrate on their own activities so they lack understanding of the overall HR strategic goals

(Ulrich et al 2005/8 Caldwell 2003 CIPD 2009 Kates 2006 Lawler 2006 Hauptenthal 2009 Reilly 2000/6 Hackett 2007 Business Week 2007 Caldwell 2003 Transact HR 2007 Lawler 2006 Dalziel 2007 Hope, Farndale, Truss 2005 Francis, Keegan 2006)



Addressing issues with Shared Services

- Determine a clear case for creating shared services that is based on the value-added to the business not just cost.
- Design the whole thing for service as well as efficiency and then build a service oriented culture in the delivery team.
- Pay more attention to customer feedback and less to the ratio of HR practitioners to other staff in measuring success.
- Think through the right structure and location to meet business needs – local, regional, global, business line.
- Recognise that HR has a number of different customers to be convinced and, in particular, that senior management has to support the concept in theory and practice.
- Find an approach that fits within the organisation, its aims, its managers and its culture.
- Determine what processes are competitive differentiators, consolidate the remainder of the processes, eliminate overlaps.
- Offer easy-to-use and personalised services to a broad user base.
- Don't underestimate the scale of resources required: budget, HR time, Central IT time/commitment.
- Take care in determining the best design and choice of operator and integrator: in-house or outsourced (in whole or in part).
- Be wary of IT delivery times, and be cautious whether the system will be fully operational on time and to specification.
- Avoid the temptation to design and implement a unique HR data portal and service, or to significantly customize one. Many effective products are on the market, and adapting one of them is much simpler, less expensive and more likely to succeed.
- Recognise that whatever you chose will have an impact on processes, indeed this is an opportunity to re-engineer them.
- Remember that IT is a channel for providing and disseminating information but it is the content and analysis of the information that drives business performance.
- Data integrity and ownership is critical not just in HR but also in the line – 'garbage in garbage out'.
- Plan to analyse the data. Data does not improve decision making unless it is used. If warehoused it might as well not exist.
- Pilot rather than roll it out in one go. This keeps up the momentum for change, minimises disruption to the business, identifies early problems and is an opportunity to validate existing data before transferring to the new system. Accept that the roll out will not go as expected.

(Ulrich et al 2005/8 Transact HR 2007 Caldwell 2003 CIPD 2009 Kates 2006 Lawler 2006 Haupenthal 2009 Reilly 2000 Hackett 2007 Business Week 2007 Caldwell 2003 Transact HR 2007 Lawler 2003/6 Dalziel 2007)

Business Partners

Shared Services

Centres of Expertise



Addressing issues with Shared Services (2)

- Adapt processes, policies and service specifications in consultation with line managers.
- Do not dump unwanted tasks on line managers or ask them to perform activities without training or support.
- If you require the line to act differently (i.e. through the introduction of on-line self-service), they must be given the appropriate support.
- Recognise difficulties with career development if lower graded staff do not build the expertise that allows them to fill more senior positions later.
- Ensure staff have the appropriate knowledge, information and skills. Customer service and call handling are often seen as the minimum requirement. Where the centre provides more specialist services, HR knowledge is also essential.
- Avoid the risk of de-skilling some administrative jobs to the point where they become extremely tedious to perform.
- Avoid the risk that shared service centre staff are ill-attuned to business needs, giving generic rather than specific advice and not seeing the work through to a real conclusion.
- Ensure that all HR are kept well informed of what is happening on the ground.
- Rotate people carefully and frequently within each area to avoid the 'silo mentality'.
- Provide opportunities for fostering close relations with the business.
- Finally communicate, communicate and then communicate some more.

(Caldwell 2003 Transact HR 2007 Lawler 2003/6 Reilly 2000 Dalziel 2007 Ulrich et al 2008)

Learning point: Have you thought through all these issues?

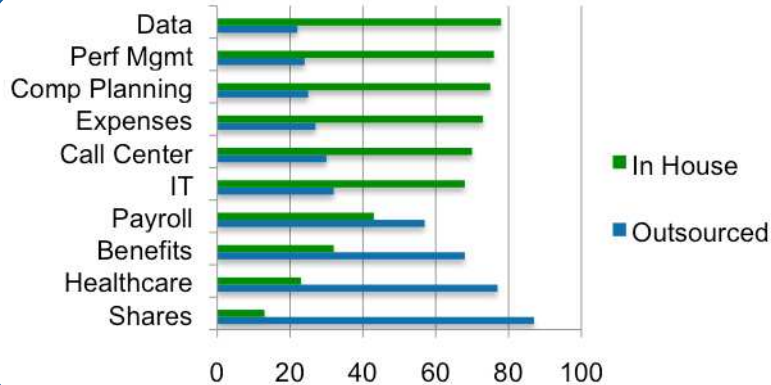
Outsourcing Shared Services

Many organisations look at outsourcing their shared services:

- Economy of knowledge: outsourcers can keep up with the latest research on HR issues and with the latest technology.
- Economies of scale: outsourcers can invest in facilities and technologies beyond what is realistic for a single company.

Issues with outsourcing:

- Take care in choosing an outsourcer who can actually deliver – get them to show you they have done it in an organisation like yours, not just tell you.
- Make sure contracts specify current and desired service levels in mutually agreeable terms, outline a fair and equitable procedure for dispute resolution, and include incentives for performance for the vendor and cooperation for the company.
- Outsourcing is difficult, time consuming, prone to early errors and therefore upsetting to employees, line managers, and HR professionals so employ effective emergent change management (not just project management) and communications techniques.
- When looking at outsourcing it is not all or nothing, decide what you keep in house:



Transaction-oriented tasks are more likely to be outsourced, while internal staff often handle more strategic HR functions.
 (Pricewaterhouse Coopers Saratoga)

(Ulrich et al 2008, Pricewaterhouse Coopers, Saratoga 2006)

Learning point: Have you considered the cost/benefit of outsourcing?

Business Partners

Shared Services

Centres of Expertise



Common issues in implementing Centres of Expertise

Overall issue	Key elements
Who owns the client?	CofE feel they were brought in too late so can't influence the work
	CofE complain they can't work with the client and are isolated from the business
	CofE feel they aren't fully utilised
	CofE feel they don't see project through to completion so lack satisfaction
	When the issue is OD, talent, L&D HRBPs often feel they have as much expertise
Overall issue	Key elements
One size fits all	CofE push programmes rather than listen to the need, they become solutions looking for problems
	CofE produce overly academic theoretical vs practical implementable solutions
	CofE take their mandate for granted and fail to monitor their service levels
	CofE lack the capacity to meet all the needs
Overall issue	Key elements
Local:Central tensions	Tension between HRBPs aligned to business/geography vs CofE aligned to enterprise becomes conflict
	HRBPs "go native" and recreate CofE expertise locally
	Everyone agrees on the need for common standards but HRBPs won't implement them locally
	HRBPs adopt a 'not invented here' approach focusing on differences vs commonalities
	CofE have higher grades so feel they can dictate to HRBPs
	CofE people act as internal consultants, not knowing the business or taking responsibility

(CIPD 2009 Kates 2006)

Learning point: What issues are you facing especially in the space between the CofE and the HRBPs?

Business Partners

Shared Services

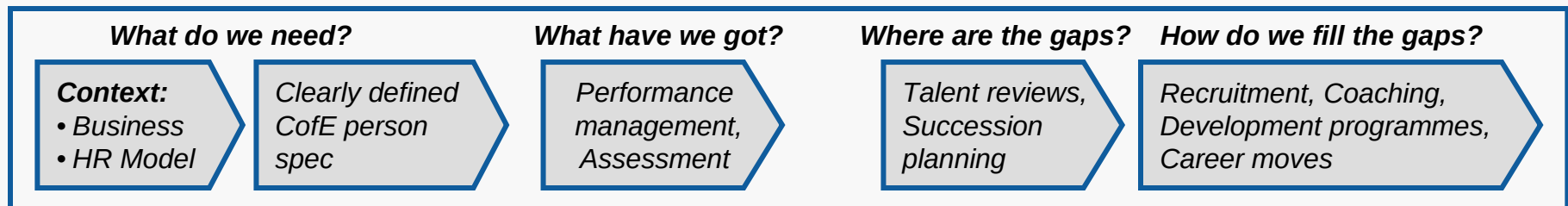
Centres of Expertise



Addressing issues with Centres of expertise

A recent study by the Corporate Executive Board highlighted a framework to deal with some of these issues:

- It is critical to understand the skills required to make Centres work. People need to be real experts or they will not be able to deliver expertise and they will also lack the credibility with the business or the business partners. As well as the skills they need to be able to build effective relationships across the business and have the self confidence to feel they don't have to take the credit. They need to be highly practical as opposed to simply theoretical and have good implementation skills.
- There needs to be a clear talent management process as outlined in our previous report on HR Talent. In particular it is important to break down potential barriers by rotating HRBPs and CofE experts into each other's roles so they can understand the context they each operate in.



- There needs to be effective change management of the transition to the new model with effective communications, not only of the Centre's role, but also the hand off process with the business so there is clarity about roles and responsibilities. This communication isn't a once off but needs to be continuous. It is inevitable that there will be resistance as HRBPs feel they are losing a key element of their role or CofE people feel they are losing their relationship with the line.
- These roles and responsibilities need to be reinforced with clear governance, accountability and reporting processes supported by clear SLAs and measures of success that need to be constantly monitored using hard metrics but also satisfaction surveys.
- The key is creating a culture of openness, mutual respect and collaboration built on the personal relationships between the generalists and specialists.

(Corporate executive Board 2008 Kates 2006)

Learning point: Have you not only managed the transition but also constantly monitored delivery against the vision?

The challenge for global organisations



The challenge isn't either local or global but as Beaman and Hock have talked about *"How do you build a "chaordic" organisation an organisation that thrives on the border between "chaos" and "order, that is adaptive to changing conditions, controlling at the center while empowering at the periphery, leveraging worldwide learning capabilities, and that transcends geographic and divisional borders?"*. This is possible when you get a number of things right:

- A shared vision and common set of guiding principles together with metrics that reinforce the mindset. The key principle is subsidiarity and an openness to new ideas from local operating companies moving from "controlling a hierarchy" to 'managing a network' of interconnected parts and activities.
- A well-defined set of centralised 'coordinating' and 'cooperative' processes that govern how the organisation functions, pushing authority to the lowest level and encouraging sharing and banning the 'not invented here' syndrome.
- Frequent face-to- face global HR meetings, facilitating sharing of ideas and communication across business units socialising individuals into the business culture and building an outlook that appreciates the need for multiple strategic capabilities, analyses problems and opportunities from the global, regional, and local perspectives, and interacts with others across the organization with openness, alertness and agility.
- High touch communication taking advantage of advances in social networking technologies to foster real time collaboration and sharing.
- Globally alert leaders who have the ability and desire to operate chaordically. They tend to be great networkers who are flexible, accommodating, and adaptable to different cultures and varying ways of doing things. They have a 'geocentric' mindset. They believe there are certain cultural universals and commonalities in the world but that no culture is superior or inferior to another. Also called 'cosmopolitans' these types of individuals focus on *"finding commonalities . . . spreading universal ideas and juggling the requirements of diverse places"*. They focus not on differences and reasons not to do things but on similarities and how to do things in a contextually relevant way. This is probably the key. It is important to find these people, reward and develop them.

(Bartlett 1989 Hock 1999 Beaman 2003 Caldwell 2003 Mercer 2008, Sullivan 2001)

Learning point: Do your HR people everywhere think chaordically?

An emergent global HR Model



Global HR Strategy		
Global	Regional	Local
Global HR leadership - Senior-level geographic and/or operating unit HR representation		
Global centers of expertise - Global centers for each key specialised functional area	Regional centers of expertise - Experts in each of the CofE functional areas with regional and local knowledge	
HR business partners - Strategic partners to business leaders, generally organized by business unit HR		Local HR service delivery - HR generalists and support to deliver HR services locally
	HR Shared Service Centres Employee transaction and customer service centers based regionally	Line managers - Conducting HR processes and transactions for their employees
Global technology platform - Globally consistent systems, employee and manager self-service, analytics and reporting		

Mercer 2008

What are the key lessons in implementing these HR models?



Issues;	
The 'Why'	In looking at the model the driver should be the needs of the business not the needs of HR – service & cost, effectiveness and efficiency– create your model to balance both.
Line Managers	It is critical to get leadership and management support – they will get behind something that supports the business not something that just cuts costs. If you focus on cost you establish HR as a cost, ripe for cutting, not as a source of competitive advantage.
	Involve the line in your thinking and then keep communicating to them, the rationale and what's in it for them, not just the model.
	Carefully think through the implications for the line as well as HR, never forget they need to be focused on customers not on making your HR model work.
Skills	Don't assume everybody can or will want to work in the new model
	Revisit and develop the skills (technical and behavioural) of all those involved, including the line
	It is critical to put in place a comprehensive and well thought through talent management approach for HR including rotating people through the model
Technology	Don't customise, buy off the shelf
	Take care when outsourcing – Make sure they can prove they have done it in an organisation like yours
Emergent project management	Assume it will take longer than expected and work out differently to what you expect so pilot and never assume you've cracked it, constantly look for emerging issues, encourage honesty rather than fear if things don't work out as expected and then address them
Mindset	Create a culture of shared accountability and mechanisms to support this
	Measure and reward everyone involved against the whole model not just their part of it
	Work through the details with all those involved especially thinking about the hand offs
And finally like so many things practice the change management techniques that you talk about - communicate but also listen because it won't work out the way you expect it to!	

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