Analysis on the Challenges of the HRBP Application in Organizations

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ABSTRACT

Over the past years, as a result of developments in the wider environment, many organizations have transformed their HR systems from the traditional model to the Shared Model of HR Services, and the role of the HR practitioner has evolved from dealing with employee relations to being a strategic supporter today. Most of literature describes the value that HRBP can bring to an organization, but few points out the difficulties in the practical application of HRBP. Citing the results of interviews with respondents from organizations in the past literature, this paper collates the three main common challenges to the application of HRBP in organizations from an organizational perspective and gives recommendations to address them accordingly. Through the survey, research and analysis, it is concluded that HR change in some organizations still needs further refinement to address the current shortcomings in practice.

Keywords: HRM, The Shared Model, HRBP, Transform challenge

1. INTRODUCTION

Richard (2007) describes the evolution of HR's function in terms of its impact and contribution to the business over the last century, as shown in Figure 1, where the role of HR has evolved from the initial employee relationship to its current role as a strategic partner [35]. Maugans (2015) summaries three eras of HR transformation. The first era was developed in the late 19th century as a result of industrial tensions, which were a result of public concern due to the sometimes violent relationships between employers and employees. Some have described this phase of HR as managers with managerial functions and employee experience [21]. Ulrich & Dulebohn (2015) refer to this phase of HR

transformation as the administrative wave, performing traditional administrative functions, providing HR services, and working towards regulatory compliance [32]. With the passage of time, human resources entered a second era [32]. Ulrich & Dulebohn (2015) refer to this phase of HR transformation as a wave of practice, a phase in which HR accumulates knowledge in various areas and offers innovative HR practices. A necessary condition for this wave is to upskill HR employees to become HR professionals rather than lower-level administrators [21]. As the HR profession evolved, the HR role expanded to include strategic business partners (HRBP) in the 1980s, an era where HR professionals were expected to participate in the development and implementation of business strategies [21].
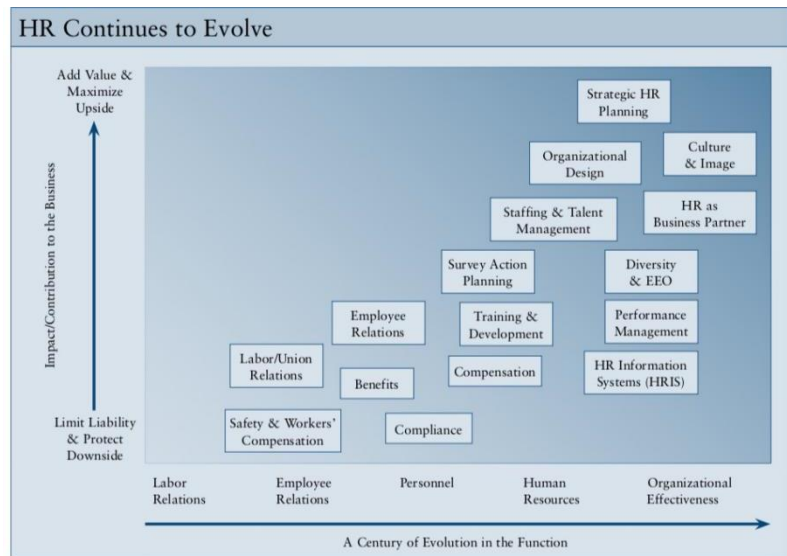
Figure 1. HR Continues to Evolve[35]

In investigating the future of the HRM function, numerous scholars have suggested that the HR function should be upgraded in the face of globalization and greater competition [3]. There are indications that the boundaries between management occupations are breaking down as structures and technologies change and the emergence of new occupational groups encourages the blurring of traditional occupations, i.e. the blurring of functional boundaries within and outside the organization [10]. In the context of the knowledge-based economy, large corporations have begun to seek reforms in their HRM models, allowing HRD to gradually move away from a transactional role and towards a strategic, business-oriented role. Due to its strategic starting point and business-directed characteristics, the Shared Model of HR Services has been increasingly theoretically accepted in the practice of corporate HRM. The model was developed by Ulrich (1997) in his Human Resource Champions book [18], HRCOE, HRSSC and HRBP are jointly composed of HRCOE, HRSSC and HRBP, as shown in Figure 2, HRCOE is responsible for top-down systematic analysis of staff recruitment, performance and remuneration, and providing HRSSC with system standards and strategic layout. The three parties discuss and work closely together to solve the HRM problems of each business department and improve the internal structure of the organization in a timely manner.
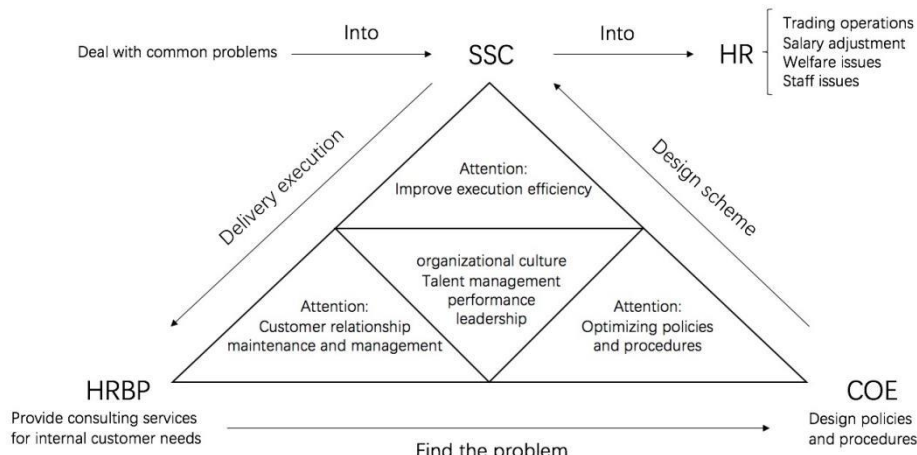

Figure 2. The Shared Model of HR Services[4]

2. HRBP

HRBP is one of the components of The Shared Model of HR Services, as shown in Table 1, HRBP plays several roles, the most important of which is to act as a strategic positioner. As shown in Figure 3, the main function of HRBP is to serve business units, to explore their needs and to provide solutions, providing a new way of thinking for companies that are struggling with HR management problems. Working with senior managers to support the achievement of business objectives, line managers will be responsible for many of the tasks traditionally carried out by HR and will require employees to use HR services in new ways [4]. In addition, HRBP provides the framework

for the development of HR departments into full strategic players, creating lasting value for stakeholders and representing a shift from execution to delivery [20]. HRBP aims to streamline HR services and support senior HR practitioners in strategic HR activities [2]. Ulrich & Brockbank (2005) note that sometimes the role of strategic partner among contemporary HR professionals is regarded as a synonym for business partner [13]. Stritesky (2014) found that the role of HR in organizations has shifted from the executive to the strategic level. This view brought HR professionals more closely aligned with the strategic elements of the company and was given a position as a key contributor to the business [15]. As shown in Table 1, strategic HR requires the HR department to be competent in business issues related to strategy formulation and organizational design. Therefore, HRBP should have the ability to determine which positions have the greatest impact on the strategic success of the company [21].

Table 1. HRBP domains and tasks [13]

Domain	Description of HRBP' s tasks
Strategic Positioner	The extent to which the HR professional can evaluate both the external and internal business contexts and translate those evaluations into practical insights that help position the organization to be successful.
Credible Activist	The extent to which HR professionals achieve the trust and respect they need within the organization to be viewed as valued and valuable partners.
Culture and Change Champion	By managing both change and culture HR professionals help make things consistently happen within the organization.
Human Capital Curator	Offering integrated and innovative HR solutions for managing people within their organization ensure human capital development within organization.
Total Rewards Steward	Creating total reward systems which include compensation and benefits (financial rewards) as well as meaning from work (nonfinancial rewards).
Technology and Media Integrator	Leveraging technology and technological tools to support their efforts to create high performing organizations. They also rely on social media to recruit, retain, develop and engage human capital.
Analytics Designer and Interpreter	HR professionals must be able to use analytics to impact decision making. Analytics goes beyond collecting data and having scorecards to using data to improve business decisions.
Compliance Manager	HR professional must be able to manage the processes related to compliance by following regulatory guidelines. The compliance function varies by geography.
Paradox Navigator	HR professionals are increasingly asked to maximize ideas and outcomes that may be inherently in opposition with each other. These professionals must constantly manage the paradoxes or tensions that exist in work settings.

Table 2. Five elements and fourteen criteria by Ulrich and Brockbank of the HR value proposition in becoming a strategic business partner [25]

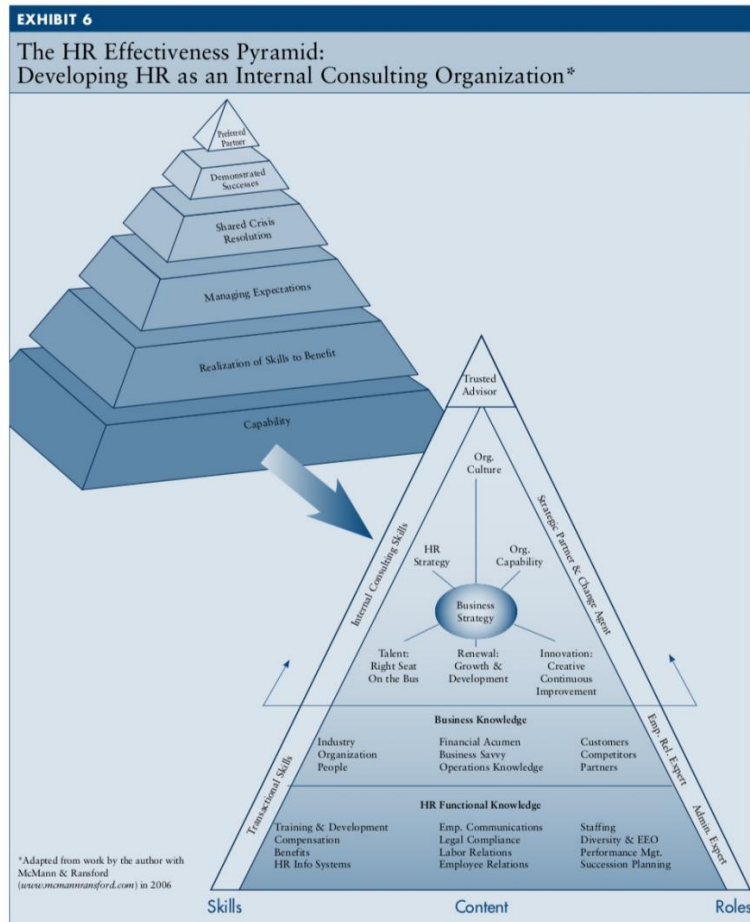| Premise of the HR value proposition	Elements of the HR value proposition	Criteria for an effective HR function
HR succeeds when it creates value	Knowing external business realities	1. Recognises external business realities and adapts practices and allocates resources accordingly.
	Serving external and internal stakeholders	2. Creates market value for investors by increasing intangibles.
		3. Increases customer share by connecting with target customers.
		4. Helps line managers deliver strategy by building organisational capabilities.
		5. Clarifies and establishes an employee value proposition and ensures employees have the abilities to do their jobs.
	Crafting HR practices	6. Manages people processes in ways that add value.
		7. Manages performance-management processes and practices in ways that add value.
		8. Manages information processes and practices in ways that add value.
		9. Manages work-flow processes and practices in ways that add value.
	Building HR resources	10. Has a clear strategic planning process for aligning HR investments with business goals.
		11. Aligns its organisation with the strategy of the business.
	Ensuring HR professionalism	12. Has staff who play clear and appropriate roles.
		13. Builds staff ability to demonstrate HR competencies.
		14. Invests in professionalism through training and development experiences.

Figure 3. The HR Effectiveness Pyramid [35]

3. ANALYSIS OF THE PROBLEMS

Over the past 20 years, both foreign ATC Group, IBM, Big 4 accounting firms and domestic Alibaba, Tencent and Huawei have been continuously exploring and practicing HR transformation. According to statistics, there are about 129 companies implementing The Shared Model of HR Services in China, most of which are concentrated in the Internet industry. In terms of the number of employees, most companies are over 10,000 in size. However, another survey shows that 53% of companies consider their changes to be unsuccessful, which shows that although many companies are exploring the path of HR transformation, many end up in failure [43]. Sun (2019) also stated that since the introduction of the HRBP concept in China in 2004, many companies in China have started to apply HRBP, but the results are not significant in the implementation process, and it is still difficult to get rid of the traditional management model, or new problems have emerged [40].

3.1. Lack of employee supporter role

The Deloitte Human Capital Trends Report (2013) shows that a typical oversight in accelerating progress in HR is to describe pre-existing HR as BRBP, thereby underestimating other essential components of the HR

role [30]. In a survey by Keegan & Francis (2010), an interviewee specializing in employment law spoke of the inevitable marginalization of "employee champions" in public sector organizations as cost reductions become more apparent. Kessler (1995) and Teo & Crawford (2005) also point out the potential dangers associated with the erosion of the traditional HRM operational role if too much emphasis is placed on strategy [12]. Peccei (2004) argues that a consequence of the strategic expansion of HR work is an overemphasis on business-oriented performance outcomes, which overshadows the importance of employees' own well-being [11]. Winstanley and Woodall (2000) assert that employee well-being and ethics remain controversial within the realm of human resource development [17]. Ulrich himself argues that the high degree of fit between the HR role as employee champion and management can lead to extreme alienation of employees from HR and management, which has a clear impact on employee wellbeing [5]. In particular, there has been a tendency to view technology-driven changes in HR service delivery in the same way as technologists and the transfer of HR tasks to line managers, removing the traditional forms of support and advocacy that were previously at the heart of HR work. As a result, there is a clear concern that the title of employee champion has been eroded and face-to-face contact with employees has virtually disappeared [2].

3.2. Low quality of HRBP

McKinsey reports on a number of European companies claim that, in managing people for high performance, they do not have enough HR professionals with business savvy to support the efforts of business unit leaders [19]. It seems that, especially for HR professionals those who can cross the HR-business boundaries, there is a "talent gap" [3]. Pritchard & Fear (2015) investigates the HR department of an investment bank and found that the department has adopted The Shared Model of HR Services a year earlier, in which the senior HRBP of the HR department expresses the idea that the organization lacks experienced and expertly qualified R&D teams and that, in effect only one member of the R&D team is considered to have some specialists' background, while the others are described as very junior generalists, and the whole team lacks expertise, so that specialist status for the whole team is out of reach [7]. The Sun's study finds that some HRBPs are highly accomplished in the HR field, but they do not bother to learn about the business. When they enter the business sector, they do not understand their clients in the context of the relevant sector, nor do they study projects and markets in depth, which ultimately leads to a disconnect between business sector practices and the company's growth strategy[40]. Wu, Wang, Huang & Xiao (2020) suggest that another shift is the conversion of business unit staff to HRBPs, who have a good understanding of the business unit but lack HR expertise and may encounter professional bottlenecks [41].

3.3. Insufficient management attention

McCracken & Heaton (2010) conducted 18 research interviews with a range of stakeholders at Energyco, Energyco's senior HRM managers felt that executives and senior managers needed to give HR staff more authority and decision-making power and needed to be more empowered and confident in their abilities, otherwise HR staff would still play a very executive role, which can lead to credibility issues [3]. Sun (2019) agrees and states that the implementation of any policy in a business is closely linked to the attitude of the leader and that if there is no effective communication with the leader or if the leader is not clear about what the change can achieve, then the change will most likely end in failure [40].

4. SOLUTIONS

4.1. Determination on organization size to match the Shared Model

While The Shared Model of HR Services is great, it is not suitable for every company. Generally speaking, medium and large companies are better suited to apply the HRBP model, especially for fast-growing companies like Huawei, whose original structure was designed to meet the growth needs of the business [40]. Medium-sized companies, which has about 500 employees are unlikely to get profit from the introduction of The Shared Model of HR Services [38]. Sun (2019) says small start-ups should engage in traditional HR work and don't need to rush to higher-level models[40]. Wu, Wang, Huang & Xiao (2020) add that HRM can be transformed into an HRBP model when organizations are growing at scale and across regions [41].

4.2. Employee care requirement at the performance appraisal section

Ulrich & Brockbank (2005) notices the attractiveness of the HRBP role among HR professionals, they urge practitioners not to lose sight of employees' role, they advocate and assert that employee relations are intimate, and it is the core of HR work remains caring, listening and responding to employees [16]. Guest (2002) states that most experts in the field agree that relegating employee champions to operational roles undermines the career prospects of HR practitioners who aspire to the role of employee champions, and therefore companies need to build employee well-being-oriented roles in HR work and corresponding appraisal mechanisms that focus more on employee-centred outcomes [6].

4.3. HRBP quality improvement and credible expert status establishment

Sun (2019) argues that in order to improve the quality of HRBPs as well as establish credible expert status, HRBPs should become generalists, which means that there are increasing demands on HR practitioners. As HRBPs, they need to understand how business units operate and work with line managers to identify business needs, and they must be innovative and up-to-date, otherwise, in an era of rapid information change, blindly following old information will reduce efficiency and eventually be lost to the market[40]. To avoid this, HRBPs should proactively update their professional knowledge and expand the scope of business knowledge. Companies should place more emphasis on professional knowledge and business knowledge training to provide more professional platforms and opportunities for employees.

4.4. Emphasis on human resources and power decentralization of management

Sun (2019) found that changes supported by business leaders are usually more successful, therefore, before the practical application of HRBP, it is essential that HR leaders actively communicate with company leaders to show them the need to change and the benefits that change can bring to the company. In the practical application of HRBP, HRBP must work hard to gain buy-

in from business leaders, as the main place to implement the HRBP model is in the business unit and if the business unit does not work well together, the implementation will be less effective [40].

5. CONCLUSION

HR transformation is more suitable to be applied to large and fast-growing enterprises. The correct application of the HR sharing model can improve organizational efficiency, reduce organizational costs and bring into play the real role of HRBP. In the past decades, many large enterprises at home and abroad have been continuously exploring and practising HR transformation. This paper examines the difficulties in the practical application of HRBP and gives recommendations. Using primary data from previous literature on organizational change respondents, this paper identifies three major challenges that most companies face in applying the HRBP role, namely the lack of employee support roles, the low quality of HRBP and the lack of attention from management and business units. The paper offers four solutions: determining whether the organization is the right size for change, adding employee care-focused assessment criteria to the performance appraisal section to address the lack of employee's wellbeing, improving HRBP quality, establishing the HRBP as a "credible expert", and increasing management's attention and decentralization.

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