Reasons for the Success and Advantages of the HR Shared Services Model: a Case Study of Company X

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The purpose of this thesis project was to determine the factors leading to success or failure, and the advantages and disadvantages of a Human Resource Shared Service as perceived by the HR personal within the case company. The case company needs this information in order to develop and grow their own Human Resource Shared Service correctly.

The theoretical section of the thesis report discusses what a shared service is and what the developments were that led Human Resources to use this model. This part also describes the findings in literature concerning the research objectives, in particular the advantages, disadvantages and factors of success. Advantages include increased customer satisfaction, clear contact points and standardization. Disadvantages described in literature include issues with accountability, missing of local knowledge and change in service level. The factors leading to success found included management, employees and change management. The findings are used in the thesis to verify the research results. There was no existing literature describing factors leading to failure found.

The research was conducted within the case company by interviewing a chosen group of HR professionals with previous experience with Shared Services. The interview type was semi-structured since this gives the opportunity to ask follow-up questions when needed. The number of interviews was kept small due to the scope of the research.

The results showed that the advantages of an HRSS (Human resource Shared Service) are increased efficiency, clear contact points and the service level. Several disadvantages were found during the research, which included a change in service level, cultural changes both inside and outside of HR and the reassigning of tasks. The main success factors found were to be good management and the HR information system. Leaving the old structures in place was seen as the main factors to cause failure.

Keywords: human resources, qualitative research, shared services
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1 Introduction

The research questions were created in co-operation with the case company and aim to aid the HR (Human Resource) shared services by providing knowledge. This knowledge may help guide the further development of the human resource shared services (HRSS). In finding out more how experienced HR employees within the company view the challenges and advantages of a shared service, the company can develop further based on the research.

The research was conducted within the company, utilizing HR members who worked with several and different HR Shared Services before. The aim is to see how they, based on their previous experience, see the challenges a company may face and the positives of implementing such a service model. The research questions will be answered with the help of the knowledge base and by the analysis of the interviews conducted.

1.1 Research question and purpose

The main question to be answered is what the success factors of the shared service are in HR. The aim is not only to find out the answer to what these factors are, but why they determine the success of the HR shared services. On the other hand the question of which factors can make a shared service unsuccessful need to be answered and why they can cause a shared service to fail. By find out the answer to this question these factors can be brought to the attention of the company and be possibly prevented. Necessary changes can be implemented based on these factors in order to decrease risks.

The other research question is what the advantages and disadvantages of the HR shared services are. This can tell the HRSS organization in the company how other’s perceive having an HR shared service and what to improve. This can also aid the HR shared service organization in understanding what the added value is and where no added value is perceived. The answers to this questions can also guide communication to employees about the advantages the organization can bring to them.

1.2 Structure of the thesis

The thesis is divided into five parts. The first part is the introduction where the main research questions and goals are introduced. The following chapter focuses on the research theory and it also includes justifications for the methods chosen in this thesis. The third chapter is about the knowledge base and thereby introduces the topics that the research focuses on to the reader. The empirical part will introduce the research questions and the strategy of interviewee selection. It will also display the interview results in transcriptions of the answers.
The forth part of the thesis covers the interview analysis. All the categories are analyzed both quantitatively and qualitatively. The final part of the thesis is a conclusion of the research and suggestions to the case company.

The thesis is structured so that the reader receives all necessary information needed, both on the research theory and on the knowledge base part, before the research and suggestions.

2  Research theory

In this chapter the theory for the approaches used in the thesis will be explained in detail, based on a selection of books and articles. The reasons for why certain methods were chosen in this thesis are discussed and explained in the sub-chapters, which will clarify the thought process that lead to the decisions made.

2.1  Research approaches

The two main research approaches are qualitative and quantitative, however according to Saunders and Tornhill (2008, 152) these methods rarely exist in a pure form. Quantitative analysis is used to find numerical results, while qualitative research focuses on people’s behavior and decisions and are therefore non-numeric (Krishnaswami and Satayaprasad 2010, 6)

Quantitative research is able to be precisely measured and can also be called empirical research. Qualitative research on the other hand cannot be exactly measured as it is generally based on primary data such as interviews and surveys. (Ebling Library 2015)

According to Atlas (2016) quantitative data allows the research to generalize findings, whereas qualitative research is used to find out about inspirations and backgrounds which can be used to formulate a hypothesis that can be tested using the quantitative approach.

2.1.1  Research method in this thesis

The Qualitative research approached is used in this thesis as the research approach. This decision is based on the need of qualitative data to display people’s experience with the shared services in HR and their opinions about certain aspects of it. Since the context of the thesis is based on people’s behavior rather than empirical results, the qualitative research methods are more suitable.

2.2  Data sources
As stated by Sachdeva (2009, 116) there are two types of data sources used in research. 

Primary data is collected by the researcher during the research process by using different data collection methods such as observations and interviews. Thus the results of the data analysis are unique. The advantage of primary data is that the researcher is aware where the information comes from, but this can also cause credibility problems as the analysis and interpretations are made by only the researcher according to Sachdeva (2009, 116). (Sadcheva 2009, 116)

Secondary sources are existing data that were composed by someone else and were created for another purpose. The analysis of secondary data by the researcher is conducted by analyzing the existing data in a different way. (Sachdeva 2009, 116) According to Krishnaswami and Satayaprasad (2010, 86) secondary data does not have to be published, but can also consist of firm data. Secondary data can be used in three different ways: for reference, for benchmark purposes and as the exclusive data source for a research (Krishnaswami & Satyaprasad 2010, 86). 

Compared to primary data, the retrieval of secondary data is relatively cheap and less time consuming. When using secondary data the validity of the data can be questioned as the researcher has no knowledge of how the data was retrieved. Additionally, old data and insufficient data may cause problems for the research (Sachdeva 2009, 116-117)

2.2.1 Data source of this thesis

According to Adams, Kahn and Reaside (2014, 92) the data source needs to be carefully selected. They state that secondary data is often more reliable and should be used if sufficient data can be found. In this thesis primary data will be used as the main data source since little literature exists that can answer the chosen research questions. Secondary data collected will be used to supplement the findings from the primary data collection method chosen.

2.3 Data collection methods

According to Krishnaswami and Satayaprasad (2010, 86) data is the base on which the research analysis is built, as conclusions to research questions can only be drawn based on data. They also state that the quality of the data used defines the validity and reliability of the research outcome.
As described in the chapter on data sources, the two types of data sources are primary and secondary. Secondary data is produced based on existing literature, analysis and other already collected and analyzed data. As this thesis uses primary data collection as the main method the following description of methods will focus on primary data. Some methods will be described in short in this chapter, while the method selected for this research will be described in the following sub-chapter.

According to Bill Gillham (2007, 37) there are many different types of interviewing methods such as unstructured interviews, semi-structured interviews and structured interviews, an interview can be defined as an organized event where information is received by the interviewer. (Merriam-Webster. 2016) The advantage of interviewing as a research method is that people are more willing to talk than to write and that a wide range of data can be gathered. (Krishnaswami and Satayaprasad 2010, 92)

Observation is a technique widely used in natural and behavioral sciences. Observation is used in order to see the social context and is done by observing via hearing, seeing and perception. There are different types of observation methods. Direct observation means that the researcher is present, while indirect observation happens through observing videos, photographs or similar. There is also participant and non-participant observation, the first being when the research is part of the social environment, the other where the observer just watches. (Krishnaswami and Satayaprasad 2010, 92)

2.3.1 Data collection method in this thesis

The data collection method selected is interviewing. Interviewing is, according to Krishnaswami and Satayaprasad (2010, 100), superior to other methods since people tend to give more information when talking than when writing. This factor is important to this research as it is searching for reasons and clarifications which are easiest obtained when additional questions can be asked. This is also the reason why semi-structured interviews were chosen as the interviewing type, as they allow flexibility and further questions. The interviewer thereby gains the possibility to ask follow-ups when needed and to leave out questions if they have already been answered by the interviewee.

2.3.2 Semi-structured interviews

Gillham (2004) stated that semi-structured interviews are highly flexible and still structured, which is why they are one of the more meaningful ways of data retrieval. The preparation of semi-structured interviews involves high amount of preparation which makes the cost of this method relatively high.
According to Gillham (2004, 70) the concept of semi-structured interviews involved asking the same set of question to each participant within equal interview time. These questions can be supplemented with so called probes, additional questions which are used to gather more information. Probes can ensure the equality of answers as they specify the question scope. (Gillham 2004, 76). The interview questions are commonly open during this type of interview method. (Gillham 2004, 70).

Preparation of the interview questions is the central part of this method as it determines the success or failure (Gillham 2004, 71). The first decision a research has to make is how to set the focus of the interview and how broad or narrow it will be. Even though the semi-structured interview has a set focus it still contains an element of discovery (Gillham 2004, 72). The interview questions need to be dissimilar from another so that each question creates new knowledge. Creating interview questions is harder, according to Gillham (2004, 73-74), when the focus of the interview is narrower, however the insight gained from having a more narrow scope can be greater. For narrowly focused interview the interview time needs to be shorter, as Gillham states (2004, 73) since these questions tend to be more exhausting and the point of saturation is reached faster.

According to Gillham (2004, 74) the interview questions can be adjusted in wording, focus and order even in the late preparation phase, so that the interview achieves a natural flow. Ideally, during the pilot phase test interviews are conducted and analyzed. The analysis part is of high importance as Gillham (2004, 75) states since only then it is evident whether the results achieved are useful or whether the questions and prompts need to be adjusted.

The interview can be divided in five stages according to Gillham (2004, 77): the preparation phase, the initial contact phase, the orientation page, the substantive phase and the closure phase. The preparation phase takes place before the actual interview. The interview is started by a social interaction, the initial phase, and followed by the orientation phase which help guiding the interviewee towards the interview scope. The main interview has is the substantive phase which is followed by the closure phase which is used to assess the interview and end the interview (Gillham 2004, 77-80).

2.4 Data analysis methods

According to Saunders and Tornhill (2008, 486) when interviews are recorded it causes the need for transcription of data obtained during the interviews separately which is a time consuming process. They describe several alternatives to reduce the time spent on transcriptions, which all bear potential problems. Options described by Saunders and Tornhill (2008,
include to pay a typist to transcribe the interviews, use a transcription machine, dictate the recordings using voice recognition or use data sampling where only the most important sections of research are transcribed. Bill Gillham (2007, 124) states that interviews should always be transcribed the day after the interview which will create a learning curve from one interview to the next.

According to Gillham (2007, 126) the transcriptions is the first part of the analysis. Gillham (2007, 129-133) mentions three approaches to minimizing the data while keeping the content: thematic analysis, stage-structure analysis and categorical content analysis. Stage-structure analysis is usually used for unstructured interviews. Gillham (2007, 143) lists ten points which should be followed during a categorical content analysis. The first step is to ensure that the format is useful for working with it, the second step is to highlight important statements. Step three is pressing the importance of not working on too many transcripts at once. After all the transcripts are read they need to be gone through again. Step five is to have a second person go through the transcripts, this is optional but important for reliability. In the next step categories for each question are derived from all transcripts. After that statements are assigned to each category, those which do not fit anywhere are marked as unique. In step eight a spreadsheet for each question is created aligning the category with the statements of the interviewees. A second spreadsheet has to be created for marking where statements should be entered. The sheet with the statements is for qualitative analysis and the second one for count analysis. In step nine the statements are added to the spreadsheet. Step ten is to add a mark to the statement so it can be found in the full transcript again. (Gillham 2007, 143-144)

According to Saunders and Tornhill (2008, 490) there is no standardized analysis method for qualitative data because of its diversity. There are however three main processes used for data grouping that can help with the analysis of data: summarizing, categorization and structuring.

2.4.1 Data analysis in this thesis

The interviews will be voice-recorded, since this saves time during the interview and will cause less distractions to the interviewer during the interview which will give the interviewer the possibility to fully focus on the interviewee and his responses.

After the interviews were conducted they were listened to repeatedly in order to establish categories by which the data can be transcribed in samples. The data samples of the interviews are displayed in the thesis. The categories derived will be shown on two spreadsheets, one for a quantitative and one for qualitative purposes.
3 Knowledge base

This chapter builds the foundation of information on which the research questions were built. The knowledge base is also used as an aid in cross-checking the results of the research to books and other sources of information used. In this chapter the reader will receive all the information on the topic needed in order to understand the theory.

3.1 HR Transformation

Darwish (2013, 10) describes how the traditional HR differs from the strategic HR. According to him the focus of HR nowadays is broader and focuses on the business in total rather than on individuals or groups of employees. He also describes that performance is measured on an organizational level rather than looking at employee performance on a smaller level. Darwish (2013, 10) therefore calls strategic HR macro HR.

According to Hunter and Saunders (2004, 8) in the traditional HR model a lot of time of HR professionals was filled with administrative tasks: HR specialists spent too little time using their knowledge, HR generalists did not spend sufficient time improving the business from an HR perspective, and HR administrators only focus on delivering their tasks rather than working on ways to improve their efficiency. Through pressure from different direction, CFO, CEO, line management and employees, such as cost reduction, creating increased HR value and improving services for employees, a new HR model has developed. These different pressure points can be summarized in four challenges: strategy, financial performance, change management and improvement of business performance (Hunter & Saunders 2004, 10).

Deloitte (2006, 5) states that HR has started its first wave of transformation during the 1990’s and was inspired by new customer service architecture, the re-engineering idea from the book Reengineering the Corporation by Michael Hammer and James Champy, and David Ulrich’s book on HR transformation called Human resource Champions.

According to Ulrich (1997, 3-20) there are several challenges business are facing, such as globalization, technology and change, which force the business to redefine their organization, including HR. HR is to become more strategic by adopting the business strategy and turn them into their priority. Ulrich defines 4 major roles of HR. The first one is the strategic partner whose role is to help define the organizational structure, help develop it and prioritize HR initiatives that align with the business strategy. The second role is the administrative expert, they are responsible to deliver all administrative task in the most efficient way possible. The
third role is the employee champion. The employee champion is responsible for engaging employees in the company, help them grow, be their advocate and help line managers keeping the moral up. The final role Ulrich defined is the change agent, as organizational change can be scary for employees, change agents are responsible for guiding them through the change and steer cultural changes. (Ulrich, 1997)

3.2 Shared Services

The shared service model is often defined as a separate business unit which is responsible for certain tasks and provides their services to the entire company by Bergeron (2003, 3). These tasks were previously owned by other units and are now bundled together within the shared service, they are also typically not related to the core business. Shared services are responsible for internal customers. The aim of the shared service is to standardize and increase efficiency, other expected benefits include cost reduction, better services and decrease in employee costs. (Bryan Bergeron 2003, 3-7)

Reilly and Williams (2002, 2) describe the shared service model in three key dimensions: the service type and level is determined by the customer, the service is commonly provided and is available to all users. They state that the centralizing part of shared service is more about centralizing the tasks within one service rather than centralizing location-wise.

3.3 HR shared services

Shared services were not developed specifically for HR but have been deployed for it (Reilly & Williams 2002, 2). In order to understand what HR shared services does, it is important to first understand what it does not do. Reilly and Williams (2002, 3) categorized HR activities in strategic, operational and administrative tasks.

Strategic tasks include policy creation and implementing the business strategy within HR, this is as it is a corporate task always excluded from the shared service as it is not public knowledge and the customers do not get to give input on this (Reilly & Williams 2002, 3).

Organizational tasks such as relationship management, consultancy, project work and centers of excellence are usually partially included in the shared service (Reilly & Williams 2002). Business partners are usually not part of the shared services and have organization tasks such as change management and strategic and organizational development (Reilly & Williams 2002, 6). Consultancy and project work are sometimes integrated in the shared services. Centers of excellence can be located within the shared services but may also remain with the operational HR. (Reilly & William 2002, 9)
Administrative tasks are mostly part of the shared services but the extent to which they are included may vary between companies. Such tasks include recruitment administration, payroll, benefit administration, welfare, training etc. The decision on whether a task is included in the service is usually determined by cost, which can also lead to some tasks being outsourced. (Reilly & Williams 2002, 4)

3.4 Reasons for HRSS implementation

Reilly and Williams (2002, 11) state that there are four main reasons why a company chooses to introduce the shared service model in HR.

The first reason Reilly and Williams (2002, 11) list is cost saving. They discuss that even though cost saving is not always the primary reason for implementation, it is usually part of the reason. Cost savings can be achieved by cutting staff members where employees have overlapping tasks. Staff cuts can be made by improving the overall efficiency, by which some employees are no longer needed. Another major step in achieving cost saving is reducing accommodation costs, this can be achieved by cutting office space or moving the shared service to a country with lower accommodation cost. Cost reduction can also be achieved by improving the buying power and improving productivity. Improved productivity can be reached by standardizing, automation and by relocation certain activities to e.g. the line managers.

Quality reasons are another driver for HRSS implementation. HR shared services can deliver high quality services by improving the efficiency of the service and work consistently though standardization (Reilly & Williams 2002, 15).

Organizational change is a possible driver for HR shared service implementation according to Reilly and Williams (2002, 16). The reason for implement HR shared services can be a part of a bigger organizational change, in this case HR is adapting to the new organization. Another possible reason can be to create flexibility within HR to anticipated organizational change. Cross country organizational learning is another bonus from implementing a shard service as expertise can be used organization wide and global HR information systems can offer support in sharing knowledge. Making HR more strategic is another possible driver. HR shared services general idea to reduce the administrative work and freeing up resources to focus on service delivery and strategy can assist organizational change even on a wider level. (Reilly & Williams 2002, 16)
HR shared services also offers technological development to the company, this is the last reason for HR shared service implementation listed by Reilly and Williams (2002, 21). Technological development can improve the efficiency of HR by offering new ways of working.

Bergeron (2003, 6) lists the benefits of shared services from the perspective of the organization which are similar to the ones described previously. Reduction of cost is one of the reasons for implementation as there is always a push towards cost effectiveness within corporations. Implementing a shared service aids in focusing on core competences as all administrative tasks are centralized within this service. Also an improvement in the services provided to internal customers can be a driver for the organization.

3.5 Advantages and Disadvantages of an HR shared service

Reilly and Williams (HR Shared Services and the Realignment of HR 2002, 33) list several advantages of having an HRSS. An HRSS decreases costs and enables efficient resourcing. Also as an HRSS is more customer oriented, the customer satisfaction and quality of service usually rise. There will only be one point of contact for managers and employees, which makes it easier for them. Another advantage is that the rest of HR will be able to focus on tasks which do not involve administrative work. Also, since the work is standardized the knowledge can be shared easier and employees can rotate between different tasks while keeping all the expertise. (Reilly & Williams 2002, 33-34)

The authors of the book HR Shared Services and the Realignment of HR also list disadvantages of HRSS. (Reilly & Williams 2002, 34) These include challenges in moving work from former admin HR to the HRSS, and making administrative jobs standardized in a way that the tasks become too boring for the employees. Also the separation of responsibilities and accountabilities can be an issue if not clearly defined. Missing crucial local knowledge can also be a disadvantage, especially in shared service centers. By implementing an HRSS this also takes away the previous contact point for managers and employees. (Reilly & Williams 2002, 34-35)

Dave Ulrich (1997, 118) describes several potential issues. The first one is power shifts within the company after implementation of the new service model. He also mentions depersonalization which can happen when utilizing a shared service center and taking away local access points to HR, this may as Ulrich states also be an issue for HR personnel who like having non-virtual contact to employees. The third issue Ulrich writes about is the accountability of the HR staff. With the new service the HR community has more accountability than before to the business. Ulrich (1997, 119) also talk about the need for a shared vision and mindset within HR, as only when the HR community has this will it also be reflected outside of the commu-
nity. The last potential issue Ulrich raises is that by implementing a shared service and there-
for reducing local HR staff, the managers may be inclined to take care of administrative tasks
themselves as they do not see the value of the shared service.

3.6 Success factors of HR shared services

Van der Linde, Boessenkool and Jooste (2006a) describe the success factors of shared services
during the implementation part in their article called Understanding Shared Services. The
first factor they describe is based on Shah in 1998, which is the transformation of people. The
introduction of shared services changes the relationship that employees used to have with the
department in the company, and therefore it is important to manage that change. The second
factor of success according to the authors of the article is transformation of business pro-
cesses, they need to move from individual needs to a common practice. The third factor de-
scribed is transformation of technology, the authors describe how business units usually have
different systems that are isolated from one another however the business must move to-
wards using one common system that will e.g. support the business process and reduce data
maintenance needs.

The research conducted by Van der Linde, Boessenkool and Jooste (2006b, 208) also includes
interview results on the question of what the success factors are for the management of a
shared service. The success factors they found are: People, communication, goals and meas-
ure of performance, training, cost, continuous improvement, leadership, senior management
attitude and technology. (Van der Linde, Boessenkool and Jooste 2006b, 208)

Dave Ulrich (1997, 110-118) also describes the success factors of shared services within HR.
On the customer level Ulrich says it is important to involve them in creating the service and
to show them the importance of strategic HR. He also stretches the importance of selecting
the correct HR Business Partners, who work with the HRSS. Ulrich (1997, 112) states that find-
ing new channels for the service delivery is also important and that these can be e.g. line
managers conducting some HR related tasks. Another important factor he writes about is the
necessity to share knowledge throughout the HR organization so that all level of it are aware
of critical information. Ulrich (1997, 114) describes a need to clarify the roles of different HR
functions and to remove old tasks from them, this will enable all HR employees to do their
best. Another important point Ulrich makes is that shared service employees have to be re-
moved from separate business units and should be allocated in a shared service center, as
otherwise the HR employee will pay more attention to local than global needs. He also states
that teamwork is important for the success as that can ensure effective service at all times.
Ulrich (1997, 116) states that the organization needs to define measures that can define the
success of the HRSS. The factors in which the success can be measured are according to him customer value, cost and time it takes to respond to requests. (Ulrich, D. 1997, 117)

4 Empirical part

In this chapter the interviewee selection will be reasoned and the interview questions will be displayed. The results of the interviews are written up in categories and afterwards analyzed.

4.1 Interviewee selection

The interviewee selections started with the process of deciding which group of employees is the most suitable for this type of interview. As the interview content requires an elaborate understanding of the thesis topic the decision was made to interview only Human resource professionals who have and are currently working in or together with an HR shared service. This is to assure that the interview questions can be answered thoroughly and that each interviewee has more than one experience with HRSS to base their answer on.

The interviewees will remain anonymous as to insure the reliability of the research results as will be described in 4.5 and 4.6. The first round of interviews was conducted with three individuals who will be identified by their current job title.

<table>
<thead>
<tr>
<th>Current Title</th>
<th>Interview Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Resources Director, Human Resources Development</td>
<td>15.8.2016</td>
</tr>
<tr>
<td>Senior Manager, HR Services</td>
<td>9.9.2016</td>
</tr>
</tbody>
</table>

Table 1: Interviewees

The original estimate of interviews needed was five, however the answer of the interviewees already formed strong patterns by the third interview and therefore it was decided to stop the interviewing process. This stage is according to Saunders and Tornhill (2008) called data saturation, it is the point of time when additional collection of data would give little to no added value. As this research is a case study in a single company and within a single department of the company, the amount of interviewees is sufficient for the scope of this research.

4.2 Interview questions

The interview questions were designed for and aimed at HR professionals as described in 4.1. The interview questions include demographics questions which will aid in the analysis and
have no direct connection to the topic of the thesis itself. These questions are then followed by questions concerning the thesis topic.

The first question “Can you please introduce yourself shortly?” is asked as a warm up question at the beginning of the interview. It is a simple question where the interviewee can start talking and for both the interviewee and the interviewer to get acquainted. The question also aims at finding out demographic information such as age group.

The second question “What type of role do you currently occupy?” is aiming at finding out about the type of position and the name of position the interviewee currently works in. As the job title will be used to differentiate between the different interviewees in this thesis it is important to gain this information. Should the answer to this question come up during question number one this question will be skipped.

The third question “How long have you been working?” is again a demographic question which will help during the analysis of the interviews. The probes aim at finding out about the total HR experience and the experience with HR shared services.

The next questions asks the interviewee about their experience with HR shared services. This questions aims at determining the degree of bias in the answers of the rest of the interview questions.

The fifth questions “What are the reasons for HR shared services to be implemented?” moves the conversation towards the actual topic. The question is important as it gives an insight to the interviewees’ perspective on motives towards the service.

The next two questions are asking about the advantages and disadvantages of the HR shared services. The probes ensure that the advantages and disadvantages from all sides, HR, management and employees, are covered, as they can vary.

Question number eight “What do you see as important factors for a successful HRSS and why?” will help answering the research questions. The same applies to questions nine “What, in your opinion, could cause an HRSS to fail and why?”

4.3 Interview results

This chapter introduces partial interview transcripts in different categories which were derived from the interview questions.
4.3.1 Reasons for HRSS implementation

The reasons for implementation mentioned by the interviewees revolved around cost saving and efficiency, which they see as the main drivers from the organization.

“Effectiveness and cost management, since you can really concentrate the resources. (...) Synergizing the business in a more cost effective way” (Human resource Director, 23.8.2016)

“Harmonize and implement an HRIS platform which enables HR” (Human resource Director, 23.8.2016)

“I vouch for things that enable efficiency and quality improvement and I do see that the HR Shared Service model enables process better than when everything is done locally.” (Senior Manager, HR Services, 9.9.2016)

“Reasons typically may have something to do with the cost, because HR shared services can be conducted in low cost countries.” (Senior Manager, HR Services, 9.9.2016)

4.3.2 Advantages of HRSS

There was a wide range of advantages mentioned by the interviewees. The main advantages seen by the interviewees are increased efficiency and consistency and ensuring support for all managers and employees virtually.

“Increase the service level from a technical perspective” (Human resource Director, 23.8.2016)

“There is a possibility to harmonize processes and to make them more efficient.” (Senior Manager, HR Services, 9.9.2016)

“Effectiveness, learning curve and the services you can provide can be of better quality” (Human resource Director, 23.8.2016)

“It ensure that the people are well trained, since they get a lot of repetition and do things for such a big population. Creating specialty areas can be easier in HR shared services.” (Senior Manager, HR Services, 9.9.2016)

“The consistency of what is being done and how the queries are answered is better when there are uniform instructions for the HRSS team.” (Senior Manager, HR Services, 9.9.2016)
“Have a network of HR, even if they are not physically there, but virtually there and managers feel that they can always get the help they need and employees also. They should have the feeling that they know who to contact when they have a problem they can’t solve themselves.” (Human Resources Director, Human Resources Development, 15.8.2016)

“To make HR feel like they are everywhere all the time, even though the HR headcount is not as big as in other support functions.” (Human Resources Director, Human Resources Development, 15.8.2016)

“Employees and managers always know who to contact” (Senior Manager, HR Services, 9.9.2016)

“Every Manager can have an HR contact so they get the support when they need it” (Human Resources Director, Human Resources Development, 15.8.2016)

“Managers who have international teams can assume that when they contact someone, that the contact person understands the bigger picture and understands the requirements at least a little. And mobility cases they are usually very complex and with HR shared services there is a stronger likelihood that someone might have the total visibility and understanding.” (Senior Manager, HR Services, 9.9.2016)

“Since everyone truly has similar tasks there is less risk if someone decides to leave the company as the substitutions are easier. The knowledge is not just in the head of one individual.” (Senior Manager, HR Services, 9.9.2016)

“Avoid the situation where process focused HR gets involved with admin.” (Human Resources Director, Human Resources Development, 15.8.2016)

“You can bring a lot of knowledge and enthusiasm in the same room.” (Human resource Director, 23.8.2016)

“Manager have to help themselves as much as possible which comes from the (HR) system” (Human Resources Director, Human Resources Development, 15.8.2016)

4.3.3 Disadvantages of HRSS
The cultural change within HR and outside HR are the big challenges seen by the interviewees. Also that a shared service team is hard to manage is a point mentioned by most of the interviewees.

“No disadvantages of a good shared service.” (Human Resources Director, Human Resources Development, 15.8.2016)

“It’s not easy to be the head of a shared service contact center, for whom you have to find interesting tasks” (Human resource Director, 23.8.2016)

“The employee turnover is usually quite high in the service centers (...) so it can be frustrating from a manager and HR perspective” (Human resource Director, 23.8.2016)

“Disadvantage is that you lose personal touch to the people when you centralize certain services you lose the faces that the managers are used to. But if you know that you can maybe have one contact person in each location” (Human resource Director, 23.8.2016)

“One challenge is that the trust. People, meaning the employee and managers also HR in many cases, have gotten comfortable with the model where everyone is present and very near to them, so that when they need something then they can just walk over and have support straight away” (Senior Manager, HR Services, 9.9.2016)

“There is of course a potential downside that when you are pushing work very far away into low cost countries then the question is whether it works as well as it could. Since you are paying one third of the costs as you would pay here, then are you getting the same service and is it as competent? Because it does not make sense to outsource something long-distance if you then have to increase the level of monitoring ad managing the whole work.”(Senior Manager, HR Services, 9.9.2016)

“Depending on the volumes and the resourcing in the HR shared services, there is also the pressure for timely service delivery. When there are lots of requests coming in and many transactions to be keyed in the HR shared services needs to be able to compete, time wise, with the local model. The service delivery time need to be reasonable, and if they are not people will not want to communicate with them” (Senior Manager, HR Services, 9.9.2016)

“One challenge that I encountered is that when there is no clear cut of tasks, then the roles and responsibilities and the accountabilities are hard to define. When something goes wrong there is a need to find out where the problem lies and that is often not done. Which causes errors to be repeated” (Senior Manager, HR Services, 9.9.2016)
“The virtual model may require new employees in HRSS roles because the in virtual HRSS it is very hard to let go of local tasks. You have to let go of old tasks but sit in the same location otherwise, the cultural and personal change is so big. People have to be put into totally new roles and environments so that they have to change and see the benefits” (Human resource Director, 23.8.2016)

“When talking about centralizing, HR will directly ask how it will impact them. If all of their work is moved into shared services, what will happen to them?” (Senior Manager, HR Services, 9.9.2016)

“HR is often very keen of keeping the old processes and like being able to see how everything is being done. Then when tasks and services are moved into a virtual location it requires a big amount of trust.” (Senior Manager, HR Services, 9.9.2016)

“The HR has to learn to ask for help from the shared services instead from the local admins, it is a mindset change which has to happen.” (Human resource Director, 23.8.2016)

4.3.4 Success factors of HRSS

All interviewees said that good management is crucial to a HRSS, all of them also think that the HR information system is necessary in order to support the work of the employees. Other factors mentioned were capable employees and organizational support from within and outside of HR.

“Very good leadership is important, especially in the beginning to have a joint vision and understanding of the purpose of the organization, the vision where we are going and what is expected from us.” (Human Resources Director, Human Resources Development, 12.8.2016)

“Resources in the shared service need to be managed in a way so that they can be successful” (Human resource Director, 23.8.2016)

“It is a cultural change and it requires a firm grip from the people who are driving the change. And it requires questioning why things are done in a certain way and if it works that way and to define who should have which task.” (Senior Manager, HR Services, 9.9.2016)

“Good management skills are important. And following up on service deliveries and performance metrics” (Senior Manager, HR Services, 9.9.2016)
“HRSS team need to be true generalist, have a solid understanding of end-to-end employee life cycle. From the beginning of the employment to the end.” (Human Resources Director, Human Resources Development, 15.8.2016)

“The employees need to have the capability to use the system (HRIS) and have a customer service orientation as well as a very solid professional capability” (Human Resources Director, Human Resources Development, 15.8.2016)

“The right people and competent people, that are enthusiastic and proactive.” (Senior Manager, HR Services, 9.9.2016)

“The global system (HRIS) is a success factor, which needs to be very user friendly and accessible to everyone, because the shared service team needs information in order to do their job.” (Human Resources Director, Human Resources Development, 15.8.2016)

“HR IT ecosystem needs to enable HRSS and the guidelines and smart processes, which are strict and simple, and at the same time flexible. Balance between centralizing and the business specific needs.” (Human resource Director, 23.8.2016)

“HR systems are one of the most important drivers for the success. HR systems enable the HRSS to take care of their work. Shifting from a local approach to the shared services approach is impossible without the system. It is a tool and a driver for harmonization of processes.” (Senior Manager, HR Services, 9.9.2016)

“HR systems help to support global processes and efficiency” (Senior Manager, HR Services, 9.9.2016)

“HR leaders have to be good examples in using the shared service instead of following the old mindset.” (Human resource Director, 23.8.2016)

“Organization has to support them.” (Human resource Director, 23.8.2016)

“Visibility of the HR shared service and clarity on who is responsible for what. Even if in HR it isn’t 100% clear it needs to seem to the employees and managers that it is clear. So that they always know who to contact.” (Senior Manager, HR Services, 9.9.2016)

4.3.5 Why a HRSS could fail
The main factors the interviewees see as reasons why an HRSS could fail is that the wrong employees are hired and that there is a lack of leadership. Also cultural change challenges and errors during implementation are seen as crucial.

“Gaps in professional capability and understanding in the HRSS. Lack of language skills for local area and a lack of understanding for the global system (HRIS)” (Human Resources Director, Human Resources Development, 15.8.2016)

“If you feel you do not feel that you belong to that team but to some yesterdays-role, communication and leadership challenges, don’t believe in the manager and gaps in the understanding” (Human Resources Director, Human Resources Development, 15.8.2016)

“People can be very protective of their own work, and if we do not get past those reactions then it will be hard to go forward” (Senior Manager, HR Services, 9.9.2016)

“Old structures and ownerships have to be broken” (Senior Manager, HR Services, 9.9.2016)

“Resources are focusing on doing old tasks instead of following the new ones.” (Human resource Director, 23.8.2016)

“I think that unclear roles and responsibilities are a rout cause for being successful or failing” (Senior Manager, HR Services, 9.9.2016)

“Missing to recruit new resources and therefore not renewing the organization and making the change.” (Human resource Director, 23.8.2016)

“The case company is a portfolio company and for this to work there has to be a global mindset” (Human resource Director, 23.8.2016)

“The implementation launch is important, because you only get one go at it and if the first impression is bad it will hardly change” (Senior Manager, HR Services, 9.9.2016)

“When errors are always repeated managers may disregard the HR shared service.” (Senior Manager, HR Services, 9.9.2016)
4.4 Interview analysis

The below chapters display the answers of the interviewees are sorted into categories by answer. The analysis is both qualitative and quantitative in kind, for each of the analysis a separate spreadsheet was created. The first lists the answers by category and the second counts how many interviewees had answers matching the categories. After the tables a comparison between the knowledge base and the research outcome will be made.

All interviewees currently work at the case company, but have previous experience in the same field. They all have worked in other companies who had an HR shared services and have either worked in or with the HR shared service.

4.4.1 Reasons for implementation

The reason for implementation mentioned by the interviewees were cost and efficiency. These two were seen as the most classical drivers for shared service implementation.

4.4.2 Advantages of HRSS

The advantages of implementing an HR shared service mentioned by the three interviewees were able to be grouped in three main categories. The categories are increased efficiency, clear contact persons and that employees will always receive the service they need. Unique answers included the creation of a knowledge center, decrease of risk in resource turn-over, decrease involvement of strategic HR in admin tasks and manager self-service.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Increase efficiency</th>
<th>Make clear who to contact</th>
<th>Get employees the service they need</th>
<th>Unique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource director</td>
<td>Increase the service level from a technical perspective</td>
<td></td>
<td></td>
<td>You can bring a lot of knowledge and enthusiasm in the same room</td>
</tr>
<tr>
<td>Senior Manager, Hr services</td>
<td>There is a possibility to harmonize processes and to make them more efficient</td>
<td>Employees and managers always know who to contact</td>
<td>Managers who have international teams can assume that when they contact someone, that the</td>
<td>Since everyone truly has similar tasks there is less risk if someone decides to leave the company as the</td>
</tr>
</tbody>
</table>
contact person understands the bigger picture and understands the requirements at least a little.
substitutions are easier. The knowledge is not just in the head of one individual

<table>
<thead>
<tr>
<th>Contact Person</th>
<th>Reason</th>
<th>System</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource director, Human resource development</td>
<td>They should have the feeling that they know who to contact when they have a problem they can’t solve themselves.</td>
<td>Have a network of HR, even if they are not physically there, but virtually there and managers feel that they can always get the help they need and employees also.</td>
</tr>
</tbody>
</table>

Table 2: Qualitative Analysis of the Advantages of an HRSS

The quantitative analysis of this question shows that all categories were seen as important by two of the interviewees. There are also three unique answers.

<table>
<thead>
<tr>
<th>Category</th>
<th>Increase efficiency</th>
<th>Make clear who to contact</th>
<th>Get employees the service they need</th>
<th>Unique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
</tbody>
</table>

Table 3: Quantitative Analysis of the Advantages of an HRSS

The advantages of an HRSS found in this research correlate with the knowledge base in several instances. Reilly and Williams (2002, 33-34) state that through there only being one point of contact, employees and manager will clearly know who to contact. This was also an advantage mentioned by two of the interviewees.

One of the unique answer was that the HRSS will allow other HR to focus on other tasks, this is also a point made by Reilly and Williams (2002, 33). Another unique answer referred to the benefit gained by standardizing tasks so that single employees leaving the company cannot hurt the service level as much as without an HRSS. Reilly and Williams (2002, 33) refer to the standardization aspect as a benefit as well.
### 4.4.3 Disadvantages of HRSS

Four categories can be derived from the interview results to the question of disadvantages of an HR shared service. The categories are a change in service type, cultural change within HR, cultural change outside HR and removing old tasks and roles within HR. Unique answer were that is it hard to be the head of a shared service and that there are no disadvantages to a good HRSS.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Unique</th>
<th>Change in service type</th>
<th>Cultural change outside HR</th>
<th>Cultural change within HR</th>
<th>Removing old tasks from HR employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource director</td>
<td>It’s not easy to be the head of a shared service contact center, for whom you have to find interesting tasks</td>
<td>Disadvantage is that you lose personal touch to the people when you centralize certain services you lose the faces that the managers are used to</td>
<td>Disadvantage is that you lose personal touch to the people when you centralize certain services you lose the faces that the managers are used to</td>
<td>The HR has to learn to ask for help from the shared services instead from the local admins, it is a mindset change which has to happen</td>
<td>The virtual model may require new employees in HRSS roles because the in virtual HRSS it is very hard to let go of local tasks</td>
</tr>
<tr>
<td>Senior Manager, Hr services</td>
<td>One challenge that I encountered is that when there is no clear cut of tasks, then the roles and responsibilities and the accountabilities are hard to define</td>
<td>Depending on the volumes and the resourcing in the HR shared services, there is also the pressure for timely service delivery</td>
<td>One challenge is that the trust. People, meaning the employee and managers also HR in many cases, have gotten comfortable with the model where everyone is present and very near to them, so that when they need something then</td>
<td>When talking about centralizing, HR will directly ask how it will impact them. If all of their work is moved into shared services, what</td>
<td>HR is often very keen of keeping the old processes and like being able to see how everything is being done</td>
</tr>
</tbody>
</table>

...
Human resource director, Human resource development

<table>
<thead>
<tr>
<th>Category</th>
<th>Unique Change in service type</th>
<th>Cultural change outside HR</th>
<th>Cultural change within HR</th>
<th>Old tasks need to be removed from existing HR employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 4: Qualitative Analysis of the Disadvantages of an HRSS

The quantitative analysis of this question shows that an equal amount of employees made a statement that could be sorted into each of the categories.

Table 5: Quantitative Analysis of the Disadvantages of an HRSS

All categories can be found again in either Ulrich’s (1997, 118-119) or Reilly and Williams’ (2002, 34-35) descriptions of disadvantages of an HRSS. Both books describe how the change in service will affect the managers which is at the same time a cultural change outside of HR, Ulrich (1997, 118) refers to that as depersonalization of the service, and Reilly and Williams (2002, 34-35) refer to is as taking the contact person away from local managers. The cultural change within HR is also mentioned by the authors. Reilly and Williams (2002, 34-35) refer to need to tasks to be re-assigned. This point is also valid for the last category which was derived from the interviews.
One unique answer which was given during the interviews that both Reilly and Williams (2002, 34-35) and Ulrich (1997, 118-119) mention is the issue of accountabilities and responsibilities. These have to be newly defined and kept.

4.4.4 Success Factors

The success factors mentioned by the interviewees are sorted in four categories, which are: Good management, skilled employees, HRIS (Human resource information system) and organizational support.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Good management</th>
<th>Skilled employees</th>
<th>HRIS</th>
<th>Organizational support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource director</td>
<td>Good management skills are important</td>
<td></td>
<td>HR IT ecosystem needs to enable HRSS and the guidelines and smart processes, which are strict and simple, and at the same time flexible</td>
<td>HR leaders have to be good examples in using the shared service instead of following the old mindset</td>
</tr>
<tr>
<td>Senior Manager, Hr services</td>
<td>Resources in the shared service need to be managed in a way so that they can be successful</td>
<td>The right people and competent people, that are enthusiastic and proactive</td>
<td>HR systems are one of the most important drivers for the success</td>
<td>Visibility of the HR shared service and clarity on who is responsible for what. Even if in HR it isn't 100% clear it needs to seem to the employees and managers that it is clear. So that they always know who to contact</td>
</tr>
</tbody>
</table>
Human resource director, Human resource development

Very good leadership is important, especially in the beginning to have a joint vision and understanding of the purpose of the organization.

The employees need to have the capability to use the system (HRIS) and have a customer service orientation as well as a very solid professional capability.

The global system (HRIS) is a success factor, which needs to be very user friendly and accessible to everyone, because the shared service team needs information in order to do their job.

<table>
<thead>
<tr>
<th>Category</th>
<th>Good management</th>
<th>Skilled employees</th>
<th>HRIS</th>
<th>Organizational support</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>3</td>
<td>2</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Table 6: Qualitative Analysis of the Success Factors of an HRSS

The success factors in the case company are, as can be seen from the quantitative analysis, mainly the HR information system and good management. Both the HRIS and good management are major enablers for good work in a shared service team.

Table 7: Quantitative Analysis of the Success Factors of an HRSS

While none of the success factors Dave Ulrich (1997, 110-118) lists can be found in the outcome of this interview question, the factors he mentions can partially be found in the answers to the question about the advantages of an HRSS.

On the other hand, van der Linde, Boessenkool and Jooste’s (2006b, 208) research results align with the results achieved in this research. The list of success factors they found during their research is longer than the one of this research, but all the categories displayed here can be found in it: People, leadership, senior management attitude and technology.

4.4.5 Factors causing HRSS to fail
There are three categories that were derived from the question about HRSS factors of failure. They are: Wrong employees, old structures remain intact and cultural change. One unique answer occurred which was issues during the implementation.

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Wrong employees</th>
<th>Old structures remain intact</th>
<th>Cultural Change</th>
<th>Unique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human resource director</td>
<td>Missing to recruit new resources and therefore not renewing the organization and making the change</td>
<td>Resources are focusing on doing old tasks instead of following the new ones</td>
<td>The case company is a portfolio company and for this to work there has to be a global mind-set</td>
<td></td>
</tr>
<tr>
<td>Senior Manager, Hr services</td>
<td>Old structures and ownerships have to be broken</td>
<td>I think that unclear roles and responsibilities are a root cause for being successful or failing</td>
<td>The implementation launch is important, because you only get one go at it and if the first impression is bad it will hardly change</td>
<td></td>
</tr>
<tr>
<td>Human resource director, Human resource development</td>
<td>Gaps in professional capability and understanding in the HRSS</td>
<td>If you feel you do not feel that you belong to that team but to some yesterdays-role, communication and leadership challenges, don’t believe in the manager and gaps in the understanding</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 8: Qualitative Analysis of the Factors causing an HRSS to fail

The main factor of failure was seen by the interviewees in that old structures remain intact, meaning HR employees do not identify with the new system and role instead of committing to cultural and structural change.
<table>
<thead>
<tr>
<th>Category</th>
<th>Wrong employees</th>
<th>Old structures remain intact</th>
<th>Cultural Change</th>
<th>Unique</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frequency</td>
<td>2</td>
<td>3</td>
<td>2</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 9: Quantitative Analysis of the Factors causing an HRSS to fail

During the creation of the knowledge base, no books or articles could be found referring to factors that can cause an HRSS to fail. However, looking at the disadvantages and success factors listed from several authors in the knowledge base, similar themes can be found. Van der Linde, Boessenkool and Jooste (2006b, 208) state that good people are a success factor, in the interviews conducted for this thesis it could be found that the interviewees saw incorrect employees as a factors which can cause failure to the HRSS. Reilly and Williams (2002, 34-35) wrote that removing tasks needing to be reassigned, which somewhat lines up with the risk of old structures remaining intact found in the interviews of this thesis.

4.5 Trustworthiness

Eriksson and Kovalainen (2008, 294) suggest to replace the classical evaluation methods of validity and reliability with the concept of trustworthiness. Trustworthiness entails credibility, transferability, dependability and confirmability.

Eriksson and Kovalainen (2008, 294) define dependability as the responsibility of the author to display the process of the research. In the empirical part of this thesis the process of the research is clearly displayed. Also in the chapter on research theory the decisions made by the author are displayed and justified.

Transferability is defined by Eriksson and Kovalainen (2008, 294) as the responsibility of the author to show similarities between the own and others’ researches. In the analysis of the interview results short comparisons between the research results and the knowledge base can be found, which identify the similarities of the results. The books with which this research was compared had a broader spectrum of answers, however most of the results of this research could also be found in the books.

Credibility refers to the sufficiency of data and knowledge of the researcher according to Eriksson and Kovalainen (2008, 294). The credibility of this thesis is given by the research of topic related literature. Also, through interviewing several experienced HR employees of the case company who had previous experience with HR shared service models the data is suffi-
cient for the case study. The low amount of interviews can be justified with their previous experience from other companies, which also decreases the risk of all interviewees basing their answer on the exact same experience, and with the fact that this is a case study of a certain company.

Confirmability is about finding ways to clearly connect the outcome to the analysis. (Eriksson, P. & Kovalainen, A. 2008, 294) In this thesis the results of the interviews and the analysis are logically linked by the qualitative and quantitative analysis in tables. The qualitative table displays the quotes of the interview linked to the category derived from the interviews by the author, thereby clearly showing how the findings and the analysis are connected.

4.6 Reliability and Ethics

The results of the research can be seen as reliable in the scope of the thesis. The interviewees were carefully chosen within the company and they have extensive previous experience with the topic of HR shared services which increases the reliability of their answers. This also guarantees that all the interviewees had a thorough understanding of the topic and can give expert answers. Also the answers were cross checked with the knowledge base and were found to be accurate. Any interview has the chance of error due to misunderstanding or misinterpretation, in order to avoid that the questions were formulated precisely and the interviewer clarified if any possible misinterpretation was sensed.

The sources used in this thesis were all carefully selected and can be deemed as reliable. All sources chosen are no more than 20 years old. Books were the primary source of information for this thesis as they are generally more reliable than internet sources. However, the internet sources chosen come from reliable websites and consultation companies within this field.

The interviewees all remain anonyms as well as the case company. This ensures that the interviewees answers the questions freely and accurately.

5 Suggestions

The research questions introduced in chapter 1.1 could be answered in the course of the research. Suggestions can be made to the case company based on the findings of the research. The suggestions are also based on the author’s knowledge of the case company.

The company should clearly communicate the advantages employees and managers can get from the HR shared service. This can increase the awareness of the main advantages the HR shared service brings. The advantages that should be communicated is that the HRSS is the
clear contact point for employees and that it aims at increasing the efficiency and at getting the employees and managers all the service they need. This could make the advantages more clear within the company. The communication could be made during new roll-ins of services or countries, which will give it a clear context.

The disadvantages found in the research are partially already countered by the case company. The case company chose not to centralize the HR shared service whereby most locations still have local HR members which managers and employees can contact. Having these local service points gives the employees a sense of trust and a quick access point to the services. This however brings the threat of old tasks and process remaining intact due to the local focus, and also makes it hard to HRSS members to focus when employees can come to the office at any time. The first threat mentioned could be countered by bringing new employees into these existing roles or by centralizing the service, this however takes away all local access points and may decrease trust. Another solution is to relocate local tasks to more appropriate roles, so that the HRSS members can fully focus on their core tasks. Relocating tasks can be hard when no one else feels responsible for them, but in the course of cultural change within the company the relocation should be attempted nevertheless.

In order to build trust with the managers in the countries where no local contact person is present anymore, the company should focus on communicating with them and answering queries as fast and as flexible as possible. Once the managers notice that they get the same level of service from the HRSS as they previously received from local administrative HR, they will start to trust the service more.

The success factors found in the research are things that the company should invest in and it should build the service around these. The company already has skilled team leads and employees in the HRSS organization, however they need to remember to invest in those people with trainings. Only if the employees had time to further develop their skills can the service grow and take on new and different tasks. Also the HRSS members need to have time to document everything that they do, so that if an employee decides to leave the company the handover within the HRSS can be managed easily. Before documenting however, the tasks should be standardized as much as possible within the region. This will increase the likelihood that each member of the service could back another one up without special training.

The company also already implemented an HR information system. The system is always being developed further to meet new business needs and to automate as many tasks as possible, this is something the company should keep on doing in the future. In order to make the employees more familiar with the new system there should be training sessions. Also the HRSS team will need training sessions when new features are rolled out.
In the area of organization support the HRSS should make sure to clearly communicate its tasks within HR and to make sure there is a common vision. It is also prudent that HR is supporting the new model and communicate that to the employees as well. Only with a shared goal and vision will the HRSS be able to increase the efficiency within HR. A restructuring of the HR department would also aid in moving away from local tasks, meaning that no HR member should report into non-HR functions. This increases the focus on global HR tasks.

The factors of failure are all issues that the company has to watch out for especially as they can be very dangerous to the newly implemented service and cause permanent harm. The factor mentioned by most interviewees is that old structures have to be broken in order for the HRSS work well. This implies for the company that all administrative tasks have to be moved to the HRSS and that any HR employee formerly involved in administrative tasks has to be assigned new tasks. The new tasks and roles have to be clearly communicated within and outside of HR. Also, in order to decrease the risks of mistakes in the HR information system, only the administrative team should have access to administrative tasks.

The company should also be careful in choosing the correct employees for the correct tasks so that the expertise is where it should be. The cultural change within the company is still ongoing as the HRSS is not rolled out completely yet. Once the roll-out is complete new communication should go out so that the organization is fully aware of the changes.
References


Reilly, P., Williams, T. 2002. How to get the best value from HR. Abingdon: Gower Publishing Limited


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Appendixes

Appendix 1: Interview Questions

Interview Questions
1. Can you please introduce yourself shortly?
   a. Age group
2. How long have you been working?
   a. How long with HR
   b. How long with HR shared services
3. What type of role do you currently occupy?
   a. Job title?
4. How did you experience working with HR shared services?
   a. Good aspects?
   b. Bad aspects?
5. What are the reasons for HR shared services to be implemented?
   a. From the HR point of view
   b. From the management perspective
6. What do you see as advantages of shared services in HR?
   a. What about from an employee’s point of view?
   b. For HR
   c. For management
7. What do you see as disadvantages of shared services in HR?
   a. For employees
   b. For HR
   c. For management
8. What do you see as important factors for a successful HRSS and why?
   a. Can you think of any other factors?
9. What, in your opinion, could cause a HRSS to fail and why?
   a. Can you think of any other factors?