

# UNIVERSITY OF GOTHENBURG FACULTY OF SOCIAL SCIENCES

# Human Resources as a Business Partner

 a qualitative study of cross-functional exchange in the professional partnership between HRBPs and line managers

Bachelor Thesis in Human Resource Management and Labor Relations

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# Abstract

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Changes in the external environment with demands for efficiency and organizational flexibility has challenged the traditional role of human resource management. In order to bring HR closer to the business, many organizations have implemented the HR business partner role which aims to effectively link HR and the business by forming close partnerships with line managers.

The purpose of this thesis is to create an understanding for the partnership between HRBPs and line managers, with focus on cross-functional exchange and its perceived value. Consideration is also given to implications of the HRBP role in the studied organization as well as prerequisites for success of the partnership.

Previous research has focused mainly on effectiveness of the HR-line partnership while there is a paucity of studies on its functional and structural properties. Addressing this lack of research, a social exchange theory perspective is applied to create an understanding for relational dynamics and individual perceptions of the partnership.

This thesis is a qualitative case study based on the Arla Foods organization in Aarhus. Ten semi-structured interviews with HRBPs and managers at different levels form the base of this study. This gives in-depth data which is thematically analyzed to give a holistic view of the studied partnerships.

Findings show that HRBPs performs predominantly on a strategic level, as trusted advisers to the managers based on a profound business acumen and HR expertise. Within the partnerships, cross-functional exchange involves a self-interest to develop in the professional role as well as a mutual-interest to increase performance which adds value on both an individual and organizational level. Results indicate high levels of trust and absence of claims to power as determinants for establishing and maintaining successful partnerships, with knowledge sharing as a mediating factor.

Key words: *HR business partners*, *HR-line partnership*, *HRM*, *social exchange theory*, *adding value* 

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# **1. INTRODUCTION**

This part of the thesis aims to provide relevant background about the research area in general and the specific case company. Following this, the research problem will be outlined and further developed in the formulated purpose and research questions.

#### 1.1 Background

As a result of globalization and increasing demands for efficiency, organizational development has experienced a dramatic shift in the past decades. Consequently, conditions in the work setting have changed with the emergence of new models for organizational structure, professional roles and partnerships which have challenged many traditional functions (Boxall, Purcell & Wright, 2007). This need for organizational flexibility and increased performance as a result of external pressures has lead to a re-evaluation and modernization of internal functions and professional roles. In order for an organization to endure these changes in the external environment, all functions, from line managers to internal support functions and management, must work together to deliver value and increase organizational performance (Ulrich & Brockbank, 2005). One particular function which has developed significantly is human resources (HR). The traditional view of HR as administrative support has been replaced by an increasing focus on HR adding value as a strategic and business oriented function (Hope-Hailey et al., 1997). This emergence of strategic human resource management (HRM) includes a proactive management of people with the intention of aligning HR processes with business goals within the organization (Boxall et al., 2007).

The development from traditional management to strategic HRM has contributed significantly to the reinvention of HR as a professional partner to the business. Ulrich (1997) claims that as a business partner, the HR function must deliver value through strategy execution, administrative efficiency and employee commitment while also supporting development of internal structures and processes. In order to be successful in this, many organizations have restructured their HR functions to ensure efficient delivery of services on both a strategic and operative level. Within this area, the shared service model (SSM) is considered a central method for managing and structuring HR (Ulrich et al., 2009). The intention is to bring HR closer to the business venue rather than follow basic HR transactions and subsequently improve performance of the HR function on all levels. Although variations exist, the SSM

typically includes a centralization of administrative HR services in a shared service center and specialist knowledge in a center of expertise. The model also includes implementation of the Human Resources Business Partner (HRBP) role. The HRBP role is multi-faceted and highly dependent on the specific organization and business context in which it functions (Brockway, 2007). Hence, research within this area is inconsistent and the many diverging responsibilities of HRBPs make it difficult to conceptualize a generic definition. Due to the lack of a specific definition and its relatively recent emergence, the HRBP role is therefore continuously subject to differences in interpretation and ascribed varying levels of success (Brockway, 2007). However, general responsibilities usually include functioning as a link between the HR community and the line of business by being an enabler and adviser to line managers (Lambert, 2009). A central aim of the HRBP role is therefore to collaborate with line managers within different business units and provide support by clarifying strategies, represent employee interests, identify requirements for reaching business goals and implement appropriate HR practices (Ulrich et al., 2009). Arguably, legitimization of the HRBP role depends on acceptance by line managers which in turn requires a profound knowledge of the business, ability to influence decisions as well as strong communicative and interpersonal skills (Wright, 2008).

In response to the development of HR as a strategic partner and the formation of HRline partnerships, focus on line manager involvement in HRM activities has also increased. Ulrich (1998) positions line managers as a fundamental role in delivering operative HRM practices and implementing HR policies which are communicated by the HRBPs. In this sense, increased involvement in HRM enables managers to improve their people management skills while also freeing up time for HR professionals to focus on strategic tasks (Ulrich, 1998). The presence of a high quality HR-line collaboration together with a strong HRM system is therefore gaining momentum and close partnerships have formed between HR and line managers as a means of increasing both individual and organizational performance (Renwick, 2003). This increased focus on linking HR and the business makes the HRBP and line manager partnership an interesting area to investigate further. Although the importance of this cross-functional collaboration is frequently emphasized in the literature, scarce attention has been on identifying social properties and relational dynamics within the HR-line partnership (Power, Garavan & Milner, 2008).

#### 1.1.1 Arla Foods

The studied partnerships are based on interviews with HRBPs and line managers working for Arla Foods in Denmark. Arla Foods is a global dairy company and cooperative owned by dairy farmers with headquarters located in Aarhus. During the past decade, Arla Foods have grown from a local corporation to a global organization with production facilities in 12 countries, sales offices in additional 30 countries and more than 18.000 employees. As a result, there has been considerable development of internal structures including an HR transformation program which was introduced in Denmark in early 2007. Arla Foods is a relevant case study since it has a well developed HR function that corresponds to current trends within HRM, with the aim to create a more proactive HR function which performs as a strategic partner to the business. A crucial part of this process has been to implement the HRBP role and establishing a close collaboration between HRBPs and line managers. Although the transformation is still in an early phase, the current HR function is organized according to an adaptation of the SSM.

The first function, HR Corporate Center (HRCC), acts as a consulting firm with expertise knowledge. Focus is on transformation and development by designing core HR policies and processes that are later communicated by HR business partners and implemented by managers throughout the organization. The second function, HR Global Business Services (HRGBS), focuses mainly on transactional services such as salary, training programs and recruitment. In broad terms, the HRBGS acts according to initiatives taken by the HRCC and provides standardized, administrative services to the organization. The third function at Arla Foods, Human Resource Business Partner (HRBP), focuses mainly on transformative tasks and work in direct collaboration with line managers under different business units by executing strategy, building culture as well as supporting and developing strategic capabilities in the line management. The HRBP role therefore functions as a connection between the HR community and line of business and includes several levels of seniority. In sum, administrative and specialized services are provided by HRGBS and HRCC respectively in order to facilitate the functional support and enable HRBPs to focus on supporting the managers in their daily business.

#### **1.2 Research problem**

Previous research shows that line managers and HR professionals have a complex, ambiguous and dynamic relationship which often includes unclear role understandings and misalignment of expectations (Larsen & Brewster, 2003). The exchange between individuals with different professional backgrounds is further complicated by development of internal functions and implementation of new roles. In the role as a business partner, HR professionals have become crucial in linking HR to the business for which reason this role is of particular interest. However, existing research on HR-line collaboration has focused mainly on HR professionals as a collective group while there is a paucity of studies on the HRBP role specifically. Besides, although studies have indicated the importance of trust and commitment (Renwick, 2003), knowledge-sharing (Currie & Procter, 2001), empowerment of line manager involvement in HRM (Brandl, Madsen & Madsen, 2009) and added value of cross-functional collaboration (Ulrich & Brockbank, 2005), scarce attention has been on what determines these conditions. To understand how line managers and HRBPs collaborate, it is therefore important to consider the underlying social properties which influence the partnership. Present study is positioned within this research problem, as a first step in understanding the perceived value of cross-functional exchange within the partnership and relational dynamics which determine its success.

Building on the literature based work of Power et al. (2008), this qualitative study considers cross-functional collaboration between HRBPs and line managers from a social exchange theory (SET) perspective. The SET approach is applied as a means of studying the partnership from a behavioral perspective, based on relational constructs, individual perceptions and specific exchange (Power et al., 2008). Therefore, SET may be of particular use in understanding functional and structural properties of the partnership as well as preconditions and limitations of its success on both an individual and collective level. By contributing to an understanding of the relational dynamics and success factors within the partnership, this thesis aims to fills a gap in the existing research which has traditionally focused on processes and efficiency. Present thesis is of importance to the HR field in a broader sense since developments toward HR performing as a strategic partner depend on a well functioning HRBP-line partnership. Therefore, understanding what governs the partnership may contribute to a validation of the emerging role of HR as a business partner.

### 1.3 Purpose

The main purpose of this thesis is to understand how the HRBP-line partnership is formed, with specific focus on perceived value of the cross-functional collaboration as well as prerequisites and limitations to its success. In support of the primary purpose, a second purpose is to understand implications of the HRBP role.

#### **1.4 Research questions**

In order to fulfill the purpose, the following research questions were developed:

- What is the implication of the HRBP role in the studied partnerships?
- How is the cross-functional exchange between HRBPs and line managers perceived in terms of added value?
- What main factors promote or hinder success in establishing the partnerships?

The first question follows both theoretical descriptions of the HRBP role and its practical implications in the studied partnerships. The second question focuses on the collaboration between the HRBPs and line managers and their contribution to the partnership with emphasis on perceived added value. The last question considers main factors which influence the partnership and their relative meaning for its success.

### **1.5** Clarifications

Relational dynamics includes the actual interaction between parts and is closely linked to social constructs which exist as a product of social interaction rather than objective, independent functions. Hence, the meaning of social constructs is socially determined, based on subjective norms and values associated with each construct. Also, HR professionals is used as a general term for individuals who are functional within different areas of HR and with varying levels of seniority.

### **2. PREVIOUS RESEARCH**

The purpose of this section is to provide a relevant framework of findings from previous research. In the following parts, studies on changes in HR function and delivery as well as the role of HR as a business partner will be presented to give an overview of current developments within HR and its implications. Following this, research on the HR-line partnership and line manager involvement in HRM will be presented. Lastly, findings from studies based on fundamental characteristics and qualities in forming a professional partnership will be outlined.

#### 2.1 HR business partnering - new models for HR delivery

The term HRM has been around for almost a century but its modern application and recognition as a means of supporting the strategic business goals is a recent development. In contradiction of previous approaches to personnel management, which associated the personnel function with the role of a negotiator and administrator of policies, HRM involves a proactive and flexible approach of managing employees (Hope-Hailey et al., 1997). In this sense, HRM enabled organizations to move away from the bureaucracy of personnel management and develop an HR function that could match the changing organizational context and develop according to specific business goals (Boxall et al., 2007). Recent changes in the organizational environment and the shift from traditional operative work to an increased strategic focus has therefore caused many organizations to review their HR departments. Therefore, alignment of processes and a well-functioning relationship with line managers is considered critical for linking HR to the business (Hope-Hailey et al., 1997). This is in line with arguments made by Ulrich (1998) who states that pressures from the organizational environment, such as expansion from local to global markets and increased competitiveness, requires HR to take on new roles and responsibilities so as to deliver value.

In order to meet these challenges, many organizations are in the process of adopting an HR perspective based on market performance, organizational renewal and change management rather than administrative support. For the HR profession to be transformed, it must overcome its reputation as a support function and be closely integrated with the business goals by delivering impactful solutions based on both an HR and business oriented perspective (Brockway, 2007). Research by Ulrich et al. (2009) on how HR should be structured in order to efficiently contribute to the business suggests a combination of three different functions: a centralized *shared*  *service center* which performs standardized, transactional HR services; a *center of expertise* operating as a specialized consulting firm within the organization; and *HR business partners* working closely with senior and line managers in strategic development and change management. Further research by the Chartered Institute of Personnel and Development (CIPD) show that successful implementation of this shared service model (SSM) is considered to make delivery of transactional services more efficient, improve quality of specialized services and bring HR closer to the business by partnering with line managers (CIPD, 2007).

In the discussion on delivery of HR services, a distinction must be made between transactional and transformative work. Transactional work, often referred to as operative, is based on standardized assignments often carried out through a centralized service function and applied similarly throughout the organization (Ulrich et al., 2009). This allows for a consistent and effective approach to solving issues within areas such as such as payroll, personnel and benefit administration. Transformative HR on the other hand is focused on strategy and processes which contribute to organizational goals and correspond to specialized needs within the business units (Ulrich et al., 2009). Although there is an increasing focus on HR as a strategic business partner, high-quality transactional work must be performed in order for the transformative work to be successful and HR business partners specifically need to have knowledge of both. In a study by Truss (2008), HR is described as developing into a form of hybrid-role which establishes validity of administration while also delivering at a strategic level by working in close collaboration with other business functions. However, findings also suggest that despite this development, there is often a reluctance to replace traditional HR roles within organizations (Truss, 2008). In order for HR to be successful in fulfilling their potential as a strategic partner, the organization as a whole must therefore ensure that expectations on HR business partnering correspond with reality. This is further discussed by Francis and Keegan (2006) who express concern over new HR structures causing a lack of commonly accepted definition of the term business partnering, which may create a disconnection between operative and strategic HR. As a result, the HBRP role in particular is claimed to become determined by specific business needs which complicates a generic definition and contributes to confusion regarding its responsibilities (Francis & Keegan, 2006).

#### 2.2 Understanding the HRBP role

With reference to the changing role of HR and the importance of HRM practices, much research has been dedicated to capture the meaning of the complex HR roles and their relation to other functions within the organizational structure. This is especially relevant for the HRBP role since its involves having a profound knowledge of the business venue while also providing high-quality HR services to line managers specifically (Lambert, 2009). This, in turn, enables leaders to manage personnel accordingly and is an important part in ensuring the success of both organizational performance and HR strategies (Ulrich et al., 2009). In this sense, the HRBP functions as a link between the HR community and line managers by translating business needs from an HR perspective. As a result, progress in the role is largely determined by the HRBPs ability to form successful partnerships with line managers as well as their position in relation to the other HR functions (Lambert, 2009).

In the transition towards HR becoming a strategic business partner, there are a number of criteria which need to be fulfilled to achieve successful business partnering. According to Brockway (2007), HR must first abandon the traditional view of working reactively and become more proactive and future oriented while also continue to deliver HR services efficiently. Second, the HRBPs specifically need to develop and sustain credible relationships with line managers while the managers must take responsibility for people management within their area. Lastly, HRBPs need to be empowered with the right skills and enough time to make use of their expertise. This is facilitated by having a clearly defined HR structure, open communication and ensuring that the different functions are easily accessible for both HR professionals and managers (Brockway, 2007). Similar arguments are made by Beer (1997) in the discussion on how HR must act to take on a more strategic role. Claims are made regarding the need to develop both analytical and interpersonal skills in order to earn credibility while also taking initiatives towards change (Beer, 1997). Although published at the onset HRs strategic reinvention, Beer's (1997) arguments regarding the need for open communication and higher levels of coordination across functions, business units and borders remain valid in current discussions. Arguably, by managing the outlined conditions, HR can successfully develop in the role as a strategic partner to the business.

In connection to findings on success in the HRBP role, the Corporate Research Forum (CRF) conducted a comprehensive study on requirements for effectiveness in the role, presented in a report by Lambert (2009). Main findings suggest that problems related to the role include the risk of HRBPs being burdened with operative tasks which hinders strategic focus and can result in duplication of services between the HR functions as well as distrust in terms of HRBPs contribution to the line of business. A lack of shared vision and unclear role definitions between the different HR functions were also found to affect the success of partnerships between HRBPs and line managers. To avoid these potential problems, Lambert (2009) argues that open communication and a close collaboration is necessary for aligning expectations. Similarly, Wright (2008) claims that legitimacy of the HR function is established through the acceptance of managers and acknowledgement of the HRBP role itself rather than its power relations within the organization. Findings show that achieving status as a trusted adviser depend on characteristics such as superior influencing to enable managers to make more qualified decisions as well as having well developed relationship and networking skills (Wright, 2008). This argument for legitimization is important since the development of HR as a function and diversity in roles such as the HRBP could potentially dilute the occupational identity of the profession further if it is not accepted by managers on all levels. Hence, HRBPs cannot become successful by working in isolation but depend on the professional relationships formed within the organizational environment which requires both professional and relational skills.

#### 2.3 The HR-line partnership

Formal structures within organizations require collaboration across different functions. With the recent developments in HR, integrative models for collaboration between functions as well as with other members of the organization has received significant attention and HR performance as a strategic partner depends on support from the line (Ulrich, 1998). The relationships that are formed between HR and line managers can improve both individual and organizational performance, but successful collaboration also requires mutual commitment to the partnership (MacNeil, 2003). According to MacNeil (2003), the line manager role includes both operative and strategic responsibilities which depend on an ability to manage both people and the business, including taking full responsibility for HRM activities. This is supported by Ulrich (1998) who states that the main benefits of line manager involvement in daily

HRM activities such as employee development, performance management and recruitment is that it allows them to improve their leadership skills while also enabling HR to focus on strategy. The involvement in such activities and support from the business partner requires that managers view HRM activities as a natural part of the managerial role rather than an additional workload. This is in accordance with Currie and Procter (2001), who claim that rather than a devolution of HRM responsibilities to the line, increased collaboration between HR and managers should be considered a partnership based on exchange of knowledge and a shared understanding for the added value of collaborating. However, there is evidence that the HR-line relation is not unproblematic and there are several factors which influence its relative success. In addition, Currie & Procter (2001) explain that there is lack of a clear understanding for how this partnership works in practice since it is contingent on different considerations depending on what management level is studied which makes it difficult to conceptualize.

Development of a collaborative relationship between HR and line managers is also considered a fundamental part of ensuring success of daily HRM activities throughout the organization. Line managers have an important role in successfully integrating HR strategy throughout the organization due to their responsibility for performing daily HRM activities (Ulrich, 1998). This, in turn, requires a robust HR function which can provide line managers with high-quality support on both operative and strategic HR issues. This support is illustrated by Renwick (2003) who suggests that line managers must fulfill their HRM responsibilities since management includes both managing people and money, which can only be successfully achieved by having a knowledge of both. Therefore, the justification for line manager involvement in HRM and partnering with HR to develop these skills is a prerequisite to their relative success and impact on organizational performance (Ulrich, 1998). Findings based on interviews with line managers show that HRM responsibilities are largely considered a part of their work although support from HR in performing these responsibilities is important for positive results (Renwick, 2003). The general consensus within this research area is that line managers have HRM responsibility for their business area, while HR professionals are responsible for HRM on an organizational level, which further promotes a close collaboration (Renwick, 2003; Larsen & Brewster, 2003).

In their study on variations in line management responsibility for HRM across Europe, Larsen and Brewster (2003) found that despite differences in organizational structure and functional sector, line manager involvement in HRM is increasing. The authors claim that this trend is largely due to reductions of HR departments in response to financial pressures, which in turn leads to a greater demand on HR to prove its value. The SSM can be considered such a reduction since its implementation often involves line managers being given more responsibility for HRM in the daily business. According to Larsen and Brewster (2003), this can lead to a number of practical problems including a reluctance to take on more responsibility, lack of time or knowledge and not having a long-term focus on the value of HR for organizational performance. Similarly, HR professionals also express concerns regarding managers' ability to cope with formal HR responsibilities although it is also suggested that by having the ultimate responsibility, line managers may become committed to these issues and thereby enhance integration of HR with other objectives (Whittaker & Marchington, 2003). Based on a case study investigating line managers' view of HR and their role in performing HR responsibilities, Whittaker and Marchington (2003) also found that line managers consider HRM a natural part of being a manager and consider their collaboration with HR as developing into a partnership. In this sense, HRM is considered a shared area rather than a separate or devolved responsibility.

An important part of line manager involvement in HRM activities can be understood as based on a willingness to develop their people management skills. In a study on how line managers view their HR responsibilities, Brandl et al. (2009) observe that HRM success requires active involvement of all managers and that their personal motivation and ability are important for conducting HR tasks such as recruitment, employee development and performance appraisal. It is therefore crucial that HR empowers line managers by helping them develop the right skills while also motivating them to assume a positive mindset toward HRM (Brandl et al., 2009). Equally important is that the HRBP is invited into the business agenda and that line managers are open and honest about the challenges within their specific business unit (Lambert, 2009). According to Lambert (2009), a main barrier in establishing a successful partnership is line managers' lack of understanding for how to use their HRBP. Hence, successful partnering depends on line managers realizing the benefits and added value of a close collaboration which includes that the HRBP is fully involved in both long and short-term business goals as well as line managers accepting responsibility for HRM within their business unit.

#### 2.4 Partnership qualities

Previous sections have outlined research on how developments within HR affect the line managers' work and the importance of a functional HRBP-line partnership. How collaborations are formed and maintained in terms of social qualities are not as frequently researched however and often involves intangible exchanges such as knowledge sharing and empowerment (Currie & Procter, 2001). Although the right competencies and strategies are essential for this exchange, specific qualities and values within the partnership are also crucial for its success and consequently, the organizational value it creates. In their work on value adding HR, Ulrich and Brockbank (2005) claim that mutual trust in the HR-line partnership is essential and largely established by having both formal and informal meetings regularly. The authors also explain that partnerships of this nature "...ensure that, while both parties bring unique competencies for their joint task, their combined skills are more than the sum of their parts" (Ulrich & Brockbank, 2005:236), implying that the partnership adds more value than would the separate performance of each part. In order for this to succeed however, both HR and line managers need to realize the added value of contributing to the partnership as well as respect each others separate objectives.

For a high quality partnership, it is important that exchange between parts occur on equal terms, based on mutual and clearly defined purposes. Renwick (2000) states that HR and line managers exercise their power, expertise and strategic positions to engage in collaboration, which can include both conflict and consensus but is ultimately framed by an interest to achieve mutually beneficial results. In further work on HR-line collaboration, Renwick (2003) also found that degree of commitment in terms of reliance and contribution between HR and the line managers is central for a functional partnership. However, this is mediated by a willingness to share and communicate knowledge of respective area of expertise or performance within either role will be compromised (Renwick, 2003). Although these findings suggest that professionalism is a mediating factor within the partnership, relational norms and alignment of personal values may also be important. In a study on evolving relationships within business partnering model, McCracken and Heaton (2012) found

that trust and credibility are paramount in partnership formation between HR and managers. Results imply that credibility is earned in terms of professional capability and clear communication whereas having a good relation is based on more intangible constructs such as trust and shared values. Additionally, McCracken and Heaton (2012) state that individuals need to be matched in terms of personality and have a shared understanding for the partnership, for which reason careful allocation of partners is considered a critical success factor. The authors conclude that both professional and personal qualities need to be in place in order to build credibility and encourage development of balanced, reciprocal relationships.

To fully understand the specific HR-line collaboration, it is also important to consider generic partnership qualities which can be found in research on professional collaboration. In their study on relational characteristics of collaborating individuals, Levin and Cross (2004) state that exchange of knowledge between individuals is paramount to any relation and may be determined largely by mutual trust and reciprocity. Findings suggested that both competence-based trust, the other individual is capable to deliver within the professional role, and the willingness to provide support mediated knowledge sharing. This in turn is proclaimed to create strong relational ties on both an organizational and interpersonal level (Levin & Cross, 2004). Although not based on the specific HR-line partnership, relevance of this study for the present thesis is that it links knowledge transfer to mutual trust and reciprocity within a collaborative relationship as well as demonstrates collective benefits derived from cooperation between individuals and groups. As previously state by Ulrich & Brockbank (2005), this is of particular importance since both HRBPs and line managers bring specialist knowledge from two different areas into the partnership and depend on knowledge transfer between parts. Hence, qualities which are determinant for professional collaboration in general may contribute to an understanding of relational dynamics in the specific HRBP-line partnership.

# **3. THEORY**

This part presents the theoretical perspective used for interpretation and analysis of empirical data. Central ideas and concepts will be outlined to provide an understanding for the relevance of this theoretical approach in relation to the specific purpose and implications for empirical findings. Main ideas are based on the original work by Blau (1964) as well as recent adaptations and applications of the theory.

#### **3.1 Social Exchange Theory**

Social exchange theory (SET) was originally introduced as a perspective on social behavior which considered individuals entering exchange as a result of mutual reinforcement, with the purpose of receiving either a material or non-material reward for contributions (Homans, 1961). The theory was elaborated by Blau (1964) who asserted that SET could explain how social processes are affected by the nature of relationships and the social context in which the exchange occurs. This approach expanded the theoretical formulation, making SET a framework for studying both individual and collective motives, mutual contribution as well as perceived profits of exchange, which over time develop into trusting and loyal relationships (Blau, 1964).

Within the organizational setting, SET has made contributions to knowledge management, workplace relationships as well as strategic HRM and is considered a unitary framework for explaining a variety of organizational behaviors (Cropanzano & Mitchell, 2005). This includes a view of interactions as influenced by both subjective preferences and organizational expectations which are established trough behavioral norms within the social and institutional context. These interactions are influenced by socially constructed guidelines which determine the exchange on both an individual and collective level (Blau, 1964). Since SET is a comprehensive theory, the basic social constructs which are considered to provide a relevant framework for the studied partnerships have been limited to *reciprocity, value, trust* and *power*.

#### 3.1.1 Reciprocity

According to Gouldner (1960), reciprocity is one of the fundamental building blocks of social exchange and involves individuals entering exchange situations motivated by self-interests. The central idea is that individuals expect their contribution to be returned based on the relative value of the resource being exchanged which creates an obligation for the other individual to reciprocate the original effort. Gouldner (1960) identifies several components within the norm of reciprocity which influence attitudes towards collaboration and behaviors within exchanges. One main competent is *equivalence* which states that although the exchange may not necessarily be equal, the relative value of resources being exchanged is usually balanced in long-time partnership which is essential for positive exchange (Gouldner, 1960). Another component which is especially important for workplace relationships involves the underlying interest-motives for participating in exchange. In research on exchange in managerial relationships Liden, Sparrowe and Wayne (1997) define motives as based on both self-interests, focus of exchange is on fulfilling a personal objective or individual interest, and mutual-interests, focus is on fulfilling needs of the collective group and acting in best interest of the relationship. Arguably, the interest motive is likely to shift from a focus on self-interest to mutual-interest as time and relationship quality increases and different forms of motives may coincide (Liden et al., 1997).

In connection to interest-motives, research has also elaborated on differences between individualist and collectivist approaches within SET (Cole, Schaninger & Harris, 2002). In relation to the norm of reciprocity, the individualistic approach to social exchange views the partnership as a dyadic exchange with interdependent actors. Contrary, the collectivistic approach argues that social exchange is largely determined by an interest to build social networks, in which case reciprocity is not considered dyadic but instead as taking place between several individuals (Cole et al., 2002). Within this approach, reciprocity may come from another source in the social network and not necessarily in accordance with the equivalence component as professed by Gouldner (1960). Although exchange relationships within the work setting are formed by institutional guidelines, contextual and motivational factors as well as quality of the exchange may be important for understanding the relational dynamics.

#### 3.1.2 Value

Value is also a central construct within SET and based on assessment of the rewards or benefits of collaborative situations. Within the social orientation, value is largely based on motives behind exchange, expectations of return and perceived positive outcomes of engaging in exchange Blau (1964). However, Alford (2002) argues that social exchange may in fact include anything that the individuals themselves value, meaning SET can be applied to generic, collaborative relationships rather than being limited to transactional exchanges. This assessment of positive or negative outcomes from an exchange is often based on a comparison level created by previous experiences, norms and alternative means of increasing rewards and reducing costs (Thibaut & Kelley, 1959). In this sense, value resulting from exchange can be seen as largely determined by individual self-motivation although influence from collective norms and the organizational climate may affect the nature of social exchange as well. These variations are supported by Cropanzano and Mitchell (2005) who state that processes within social exchange are affected by the social context, form of relationship and resources being exchanged. Hence, rewards, value or perceived profits of social exchange may vary between individuals which makes both individual attitudes and external factors likely to affect the outcome of the exchange even though the partnership as such is based on organizational needs or included in formal roles.

Recent discussions on SET also propose that relational dynamics may be important in determining the value of intangible of exchanges (Cook & Rice, 2003). This relational aspect can be traced back to the original properties of exchange relations as well, with Blau (1964) arguing that ongoing relationships of social exchange develop intrinsic value and devotion between exchange partners over time. This is further supported by Emerson (cited in Cook & Rice, 2003) who states that although rational assessment regarding the cost and reward of exchange has an impact on its perceived value, individual sense-making and subjective feelings toward the partnership may also be of importance. Value is therefore based on both subjective assessment and the formal objectives of professional partnerships within the organization.

#### 3.1.3 Trust

As a social construct, trust is both a product of and prerequisite for reciprocity which positions it at the center of relationships. Also, trust is not considered given but earned and developed over time within high-quality exchange relationships (Blau, 1964). According to Blau (1964), trust is commonly used to frame the uncertainty which exists in a social exchange situation, especially when individuals are not guaranteed direct reciprocation due to collective interests. In his studies on level of cooperation in social exchange relations, Blau (1964) demonstrated that commitment and reciprocal acts are crucial in the emergence of trust between exchange actors. With reference to workplace relationships, a critical part of minimizing this

uncertainty is based on individuals assessing the trustworthiness of others determined by their personal experience and expectations of professional roles (Cheshire, Gerbasi & Cook, 2010). In their study, Cheshire et al. (2010) considered the relationship between uncertainty and trust within structurally determined exchange, where rules or guidelines for social exchange are imposed by organizational, institutional or another third-party actor. This form of trust becomes important since it is ascribed to formal roles rather than reduced only to actual deliveries. In addition, Cheshire et al. (2010), demonstrated that trust levels in reciprocal exchange reflect levels of cooperation which is in line with Blau's (1964) argument that acts of reciprocity promotes and reinforces the development of trust. This is also supported in a more recent conceptualization where trust within exchange is considered a combination of personal characteristics, professionalism as well as organizationally based on formal roles (Cole et al., 2002). Consequently, trustworthiness of individuals in exchange is largely considered as determined by commitment and demonstrated by being reliable and competent in the professional role.

#### **3.1.4** Power

The relationship between power and social structure is fundamental within SET and mainly described in terms of the dependence of one actor upon another. Therefore, differences in exchange can affect the social structure within a partnership by causing inequalities between the individuals and potential power is considered a direct effect of control over valued resources such as knowledge or services (Emerson, cited in Cook & Rice, 2003). Although power is considered a prerequisite for understanding shared responsibilities within an exchange, unequal distribution of resources or control can cause an imbalance between individuals depending on their ability and willingness to contribute (Blau, 1964). In response to the social structures within a partnership, individuals tend to develop patterns of exchange to cope with differences in power and to weigh the costs or benefits associated with exercising this power. According to Cook and Rice (2003), normative constraints on the use of power within exchange relations frequently include elements of fairness, feelings of obligations and interpersonal commitments. This is in accordance with previously outlined principles on trust and reciprocity which, if present in high levels, reduce uncertainty and imbalance within exchange relations (Blau, 1964). Power as such is therefore often

considered in terms of mutual dependence in social exchange relations and provides a useful framework for understanding social structures and status within partnerships.

#### 3.2 Social exchange as a means for exploring HR-line collaboration

Social exchange within workplace settings typically includes cross-functional collaboration between individuals from different professional areas and seniority levels (Cole et al., 2002). As alluded to in the section on previous research, lines between HRM and the business venue are diminishing largely due to focus on strategic HR business partnering. However, prior studies have focused mainly on quantitatively framing the effectiveness of the HR-line collaboration (Power et al., 2008). Albeit important, the SET perspective may expand on this approach by taking into consideration individual motivation and behaviors which underpin this collaboration and thereby success factors for reinventing HR as a strategic partner. Although it is not presently a common approach for studying HR-line partnerships, it may be helpful in understanding how this collaboration is formed in terms of both knowledge sharing and relational dynamics (Power et al., 2008). For the purpose of this thesis, SET may therefore be of particular use in explaining how the partnership is socially constructed as well as its added value by considering inherent properties and specific exchange.

# 4. METHODOLOGY

This section includes a justification for the methodological approach which has been used in this thesis. This is followed by a brief outline of the selection of participants, chosen case company and a thorough explanation of processes involved in the collection and analysis of data. Ethical principles will then be considered followed by a discussion on validity and reliability of the study. Throughout the chapter, reasons for the selected approach will be considered in relation to the specific purpose.

### 4.1 Methodological approach

Since present study aims to create an understanding for relational dynamics in the specific partnership between HRBPs and line managers, a qualitative method was used. Within qualitative research, focus is on exploring the holistic meaning and indepth understanding of a certain phenomena based on personal experiences and perceptions (Langemar, 2008). According to Langemar (2008), a qualitative approach based on interviews enables both a descriptive and an exploratory approach while also creating an understanding for the meaning and implication of empirical findings in a given context. This approach is relevant for the present purpose since partnership qualities and opinions of the collaboration are subject to varying interpretations depending on contextual, professional and individual factors of the specific case at Arla Foods. Additionally, the qualitative approach enables comprehension of more subtle distinctions and allows for consideration of both similarities and deviances which would not be represented in a quantitative study (Bryman, 2011).

This thesis has both a descriptive purpose, giving a representation of what the HRBP role implicates, and an interpretative purpose, to understand factors which determine the success and value of exchange within partnerships. The descriptive purpose is fulfilled by the participants' subjective understanding of the HRBP role, whereas the level of interpretation depends on how the partnership is understood in relation to the theoretical framework. This approach of reasoning is known as hermeneutics and suggests that there is a constant interplay between an individual's pre-understanding, such as previous knowledge or preconceptions, and actual understanding (Alvesson & Sköldberg, 2007). In this study, information on the Arla Foods organization and professional roles was collected prior to interviews in order to get a pre-understanding and formulate relevant research questions which were developed as knowledge of the area grew.

Although there has been an interaction between the theoretical approach and empirical method, inductive reasoning has been predominant in the present study. This empirical method includes the application of data from a specific case to relevant theoretical framework in order to understand its meaning in a broader context (Langemar, 2008). This is represented by the use of thematic analysis which is a method for structuring and interpreting the qualitative material based on analyzing material horizontally in order to include all relevant themes (Langemar, 2008). For the purpose of this study, a few themes were determined beforehand and included in the interview guide, while still allowing for some themes to be identified from the collected data. Langemar (2008) states that these themes may or may not coincide and that the combination of predetermined and empirically guided themes allows for a structured approach while also leaving room for flexibility during the interviews. This was key throughout the study since insight and pre-understanding of the partnerships were limited prior to conducting the interviews.

#### 4.1.1 Case study

In order to get an understanding for how the HRBP and line manager partnership functions in practice, a case study was conducted at Arla Foods. This research method includes studying and interpreting theoretical propositions based on a practical and specific context (Hakim, 2000). Relevance for the purpose of this thesis is that the case study method allows for both a descriptive and interpretative account of the HRBP role and the partnerships within an organizational setting. The reason for selecting Arla Foods as a case company was twofold. First, the HR function has undergone significant changes in recent years of which implementing the HRBP role and partnering with managers has been a main contribution to reinventing HR as a strategic partner. Second, the size of the organization allowed for a diverse sample of HRBPs and line managers from different business groups and with varying levels of seniority.

#### **4.2** Participants

In agreement with Langemar (2008), selection of participants was determined by the previously outlined purposes for which reason both HRBPs and line managers were interviewed. In order to obtain a relevant and representative selection, consideration was taken to which individuals would be contacted rather than by random selection.

This form of strategic selection is of particular relevance since the purpose was to get a holistic understanding for the partnerships. Initially, the aim was to interview line managers and HRBPs which were not situated at the corporate center, but rather positioned between lower and higher management levels. However, due to recommendations from my contact person, a decision was made to interview individuals on different levels and from different business areas in order to get a more representative sample. Factors such as insight into the company, level of seniority and specific business group were taken into consideration. Initially, HRBPs were contacted by my contact person after which suitable line managers were recommended by the HRBPs and selected based on this criteria. All participants were working together with their HRBP or line manager on a regular basis for which reason the main purpose of the strategic selection was considered fulfilled. The fact that the HRBPs were involved in the process of recommending line managers may have affected the outcome of the results, although their opinion in selecting this group of participants was crucial for contacting managers working in collaboration with HRBPs. Measures were taken to limit the participants' knowledge about HBRPs and line managers who agreed to participate by anonymizing the empirical findings, although this was somewhat compromised by having the majority of interviews at the corporate center. Hence, specific findings are not relatable to separate participants, but their involvement in this study may have been revealed to other employees.

Following consultation with my contact at Arla Foods an inquiry was sent to appropriate participants which covered a brief presentation of the research topic, the aim of the study and relevant information regarding ethical principles. All 13 participants responded to the inquiry agreed to participate. However, 3 interviews with employees in Canada were excluded from the results due to this region not having implemented the SSM. This resulted in a total of 10 interviews with 6 HRBPs and 4 line managers situated at Arla Foods in Denmark. One important distinction that needs to be made at this point is that there were differences in level of seniority between the participants. However, due to the scope of this thesis and the limited sample size, no direct comparison can be made between the different levels. Also, descriptions of the separate business groups or roles are not given since this could affect the anonymity requirement. For clarification, participants are instead referred to

as HRBP 1-6 and LM 1-4 throughout the results, although these numbers do not correspond to the actual order of interviews so as to preserve anonymity.

#### 4.3 Data collection

Empirical data was collected through semi-structured interviews to allow for individual thoughts, experiences and opinions to be considered. The interview guides were constructed beginning with general questions after which more specific, thematic based questions followed. At the end of each interview a few open, concluding questions were asked in order to ensure that participants could share information which might not have been covered by previous questions. Prior to the empirical interviews a test interview was held with another Arla Foods employee in order to obtain information about the organization and an estimated timeframe for interviews. This interview was not included in the empirical data but provided valuable insight into relevance of the research questions which were reformulated in order to reduce any risk of misinterpretation in the following interviews.

At the beginning of each interview, participants were informed once more about the background and purpose of the study. According to Langemar (2008) such an introduction is important since it provides an understanding for what the interview will include and is therefore likely to make the participant more comfortable. Interviews lasted between 30 to 60 minutes and were conducted in settings which were familiar to the participants in order to encourage a professional frame of mind and openness (Bryman, 2011). All participants approved recording of the interviews which was done by using a Dictaphone as well as a back-up recorder. This is important since it allows the interviewer to fully engage in the interview which may increase relevance of additional questions and contribute to a more open dialogue since writing can distract both participant and interviewee. Langemar (2008) encourages being responsive and flexible during interviews which requires that the interviewer is attentive not only to what is being said but also more subtle communicative aspects. For this reason, short notes were taken following each interview to reflect the general impression of each situation. Throughout the interviews, efforts were made to remain objective and careful consideration was taken to avoid suggestive examples based on personal opinions or values in order to not affect the answers by asking leading questions.

In accordance with the qualitative approach and hermeneutics, the interview guide was developed as data collection progressed and understanding for the research area grew. Although this likely lead to the formation of preconceptions about following interviews, it allowed for more thorough follow-up questions and responsiveness during interviews as well. The material was also analyzed parallel to the conduction of other interviews which allowed a further understanding for the researched area during data collection.

#### 4.4 Data analysis

Shortly after completing each interview, the recorded material was transcribed in full to get a thorough overview of the empirical data. Bryman (2011) claims that transcribing the material enables a comprehensive analysis of repetitions and recurring themes. In accordance with thematic analysis, the material was analyzed horizontally to include themes that were determined beforehand as well as themes that were identified from the collected data. The thematic approach used for structuring the interview guide was also used for organizing the transcribed material which made the process of recognizing similarities and deviances more efficient.

Following this, the transcribed material was organized and analyzed through three main processes which Langemar (2008) identifies as interpretation, structuring and compression. First, material was interpreted with regard to its meaning and importance in relation to the research questions. The material was then structured according to the themes to facilitate consideration of quotes and specific data both separately and holistically. The predetermined themes were: understanding of the HRBP role, cross-functional collaboration and adding value. In addition to these, power structure and forms of trust were formulated based on the empirical material. This provided an overview for how the separate themes represented different meanings for each research question, which is central in hermeneutics since consideration of data should be based on both separate parts and the entity (Alvesson & Sköldberg, 2007). However, structuring the material according to themes also includes that sections are taken out of context which can change their relative meaning. In order to avoid this the original transcriptions, which had not been structured, were used as a reference throughout the analysis. Finally, after the material had been interpreted and structured, recurring opinions and statements were identified

and compressed into a collective representation by the use of color coding. During this process consideration was again given to summarize and reduce the material without affecting its original meaning. Following interpretation, structuring and compression of empirical data, it was analyzed in relation to the theoretical framework with the specific research questions in mind. Although the research questions were altered slightly throughout this process, changes made were mainly regarding formulation and structure and therefore not considered to have affected the focus of this thesis.

#### **4.5 Ethical principles**

During the research process, there are a number of ethical guidelines to consider. The principles which are most relevant for qualitative research ethics and cover the principle for individual protection are requirements for sufficient information, consent, confidentiality and use of collected data (Vetenskapsrådet, 2002). Moreover, these principles must be considered in relation to research ethics which are concerned with relevance of the study on an organizational and societal level (Langemar, 2008). The study must therefore be carefully considered in terms of effects on the studied organization and ensure appropriate use of empirical findings.

To fulfill these requirements, participants were informed about the aim, methods and intended use of the collected data before being asked to take part in the interviews. This was first communicated in an email which was sent as an introduction to the study and repeated once more at the beginning of each interview. The participants were also informed that participation was voluntary and that they at any time could withdraw their consent. The confidentiality requirement was fulfilled by ensuring that the collected information would not disclose details regarding the participants' names or specific roles but was limited to collective descriptions and anonymous citing. Although complete anonymity cannot be guaranteed due to the strategic selection, measures were taken to ensure specific information cannot be linked to separate participants in order to protect their integrity. Use of the empirical data has been limited to the purpose of present thesis only and not made available to any other person. In addition to the outlined information, participants were also given the chance to decline recording and transcription of the interview, although no one did.

#### 4.6 Reliability and validity

Reliability is concerned with consistency of measurements and whether or not a study would generate equivalent results if repeated under comparable conditions. However, reliability is relevant mainly for quantitative studies since research based on individual experiences and perceptions are subjective and contextual and therefore unlikely to generate similar results in a repeated study (Bryman, 2011). Although a repeated study may reflect some of the current findings, results would not likely be comparable due to the specificity of both individual and organizational conditions. Measures taken to increase the reliability of this study has been based on giving a full account of the methodological approach and procedures used.

Validity, in turn, is central to conducting qualitative research and concerned with the study measuring what it intended to and trustworthiness of results. Langemar (2008) emphasizes that representativeness of selected participants is determinant for the empirical data which in turn affects the validity. This is often referred to as external validity and is concerned with how generalizable results are to the general population in terms of both valuable insight into the studied phenomena as well as practical use of results (Bryman, 2011). Although validity is difficult to control for in qualitative studies, it can be improved by giving a complete account of the methodology, careful selection of participants as well as ensuring correct practical use of results and coherence to previous research within the area (Bryman, 2011). In the present study, measures were taken to increase validity by a strategic selection of participants, recording and transcribing of the material to enable thorough consideration of all empirical data as well as constructing the interview guides using previous research and the specific research questions as guidance. This was further established by the pilot interview which created an understanding for the specific case at Arla Foods. Although interviews were semi-structured and follow-up questions differed between interviews, the interview guides provided a framework for ensuring relevant topics were covered. In accordance with Bryman (2011), participants were asked to suggest the location for interviews to make them comfortable with the setting which arguably promotes openness in the professional role and creates trust. Also, by systematically following the analysis rules stated by Langemar (2008), a thorough account could be given for the use of empirical data. This was further validated by ascribing numbers to the participants which enabled a balanced representation of results.

## **5. RESULTS**

In the following section, empirical findings will be presented with illustrative extracts from the interview transcriptions. First, results on understanding the HRBP role will be given. Following this, empirical results on the social constructs that govern exchange within the partnership will be presented in terms of cross-functional collaboration, added value, importance of trust and power dynamics. Since the aim is to give an holistic view of the partnership rather than compare between groups, presentation of data is organized under themes and not by professional roles.

#### 5.1 Performing as an HRBP

This part includes results on the operative and strategic workload of interviewed HRBPs. Strategic work is defined by respondents as developing enduring strategies based on a long-term perspective in order to support future business needs. Operative work is described as basic, everyday tasks that are quickly resolved but essential for organizational performance. Although interviewed HRBPs perform some operative work, the main contribution is considered on a strategic level based on both general and specific business needs. Delivering on these basic, operational tasks includes having knowledge within legal, recruitment, contracts and collective agreements. Since the corporate center is in place, the HRBPs do not have to be experts within these areas, instead several of the interviewed HRBPs consider that performing some operative work can be a ticket in to talk strategy and business in the management teams. Besides, HBRP 2 explains that the operative work should decrease as the role and current HR function become more established. A central part is therefore to be both reactive and proactive while also balancing support between the managers.

I am not spending all my time with the proactive, strategic, visionary leaders although it is fun to work with them. I also spend time with the more traditional, operational, low-key managers even though it is much more fun to work with the former. (HRBP 5)

Another part of the HRBP role includes being a representative of the HR community towards the business. In connection to this, interviewed HRBPs explain that alignment between the HR functions is necessary. Operative work such as recruitment, salary adjustments and benefit programs are based in the HRGBS in order for line managers to contact that function directly. HRBP 1 explains it is a question of making ends meet in order to ensure that both operative and strategic capabilities are combined across the different layers of HR, which has not been an easy endeavor. Knowledge and use of the other functions varies between line managers. Some are well aware of the other functions, comfortable with contacting

them directly and see their HRBP as a last resort whereas others have a limited knowledge and always turn to their HRBP. Although all HRBPs admit their role must include some operative responsibilities, there is a consensus on the need for line managers to go directly into certain areas of HR instead of using the HRBP. Some HRBPs mention this as a possible risk for becoming burdened by operative tasks which could hinder their ability to perform work on a strategic level. It is also part of the HRBPs responsibility to have knowledge of the other HR functions in order to effectively help the line manager in contacting the right people and avoid the risk of the HRBP of becoming a bottleneck. HRBP 6 stresses the importance of successful deliveries and open communication between both the HR functions and the line managers. Otherwise, if there is an unsatisfactory delivery from the other HR functions, this can reflect negatively on the HRBP and ultimately, the partnership will end up taking a hit. However, even though the current HR function is still in the implementation phase, LM 1 explains that available support in the present structure and the HRBP role specifically is an improvement since HR did not have a good reputation before, especially with reference to the administrative function. Despite this, some managers explain that solving HRM related issues can at time involve contacting several of the HR functions before the right information is found.

#### 5.1.1 Complexity of the HRBP role

Interviewed HRBPs relate their role to supporting the business strategy with relevant HR processes, ensuring anchoring of these HR processes and functioning as a link between HR and the business. This is mainly achieved by attending management meetings, having a good understanding for the business and a profound knowledge of HR tools and processes. The interviewed HRBPs are all participating in management team meetings which is highly appreciated by both professional groups since it provides HRBPs with an understanding for the "reality of the business needs". In addition, line managers mention that the business partner brings valuable HR perspectives into the business discussions and challenge the managers asking questions they are not used to. HRBP 3 describes this as "pulling them [line managers] a little bit out of the daily flow and daily business" to include an HR perspective. In this, the HRBP acts in the role of an adviser to the manager.

I usually discuss with him, like people or HR issues, I will use my BP to discuss back and forth and he gives me new ideas and angels to look at things. That enables me to make better decisions, it's still my decision on what to do but he helps me make that decision because he is knowledgeable in HR specifically, so he can help. (LM 4)

In order to be a good adviser, HRBP 1 states that it is important to support global HR processes while also working with the specific needs in each separate business unit. Results show that apart from formal requirements, there is a high degree of freedom within the HRBP role. However, the HRBPs unanimously point out that their role must correspond to the line managers' needs which requires being both perceptive and flexible, meaning partnerships are not entirely comparable. HRBP 4 adds that this occasionally contributes to unclear ideas of what is meant by the role, which could be better defined and communicated to line managers. It is recognized that autonomy in the HRBP role complicates a generic definition as it is "probably one of the broadest roles you can find" (HRBP 3). HRBP 2 explains that establishing the role is a learning curve since it develops over time by becoming more familiar with the line manager and the organization as a whole. Also, differences between business groups means not all responsibilities of the HRBP role can be put into formal agreements based on generic HR processes. This requires consideration to how to best approach issues based on both contextual factors and the specific partnership.

You can have a dilemma between the pragmatic solution and what is our overall principles. At times you need to enforce the principle because there are consequences of not doing that, other times you need to bend the principles and go with the concrete case. You need to find that fine balance of when do you follow principles and when do you go for more pragmatic solutions. (HRBP 6)

It is also recognized that the HRBP role is sometimes seen as controlling and demanding. HRBP 1 explains that although the role is a positive contribution which enables the business to perform better, it can "in some instances also be perceived as a pain, because there is an element of policing". However, all HRBPs explain that enforcing principles and deadlines is always performed in the best interest for Arla Foods and that a fundamental skill is to be able to communicate this effectively to line managers. According to HRBP 5, the reasons for rigidity of some deadlines, specifically global HR processes, could be better explained to the managers to ensure they understand the implications for not meeting set targets.

Respondents from both groups state that success in the HRBP role depends on linking the HR community and line of business by having an good knowledge of both. In order to do this, there are several specific qualities and competencies which need to be in place. Professional skills such as business acumen, the ability to translate external business trends into HR processes, build and develop leadership capabilities as well as having strong analytical and diagnostic skills are frequently mentioned. Besides, relational competencies including communicative skills and empathy are important for success in the role. HRBP 3 describes the role as "a mix of competence and innate things", referring to while some skills can be trained, certain inherent characteristics such as intelligence and a profound interpersonal aptitude need to be in place. Ultimately however, the ability to deliver actual solutions is fundamental as an HRBP since being professional and qualified does not in itself add value.

#### **5.2** Cross-functional collaboration

For successful collaboration, both HRBPs and line managers consider that establishing a mutual understanding for expectations and obligations within the partnership is key. This is determined both by formal requirements of the respective roles as well as individual expectations. Clear communication, an open-minded approach and feedback are mentioned by several respondents as crucial factors in matching expectations. Also, references are made to general obligations of being in a partnership, namely to deliver on what has been agreed and fulfill responsibilities within the professional role. This is considered a mutual task and especially important in relation to expectations on line manager involvement in HRM.

I think we have a dual responsibility, the HRBP and the line manager. HRBPs cannot work in isolation and the HR responsibility is not something that is only for the HRBP, it's a mutual responsibility. (HRBP 5)

Respondents across groups share this view and the managers recognize that their role is also to be a people manager, which includes taking full HR responsibility for their employees. The view of HRM as devolved to the line managers is not supported in the empirical data. HRM responsibilities such as recruitment, appraisal, employee evaluation and workforce planning are instead considered part of being a manager, although this work is largely supported by the HRBPs, HRGBS and HRCC depending on the task. Independent of the labeling of these responsibilities, the line managers consider them essential for both separate business units and the organization as a whole. It is also within this area that the managers are in most frequent contact with their HRBP, along with execution of the global HR processes.

Overall, respondents perceive that their contribution to the partnership is returned. Differences in expectations can be found in what both parts bring to the partnership. Line managers frequently describe that they expect their HRBP to effectively communicate organizational culture and decisions which have been made at the corporate headquarters. This is done mainly during the management team meetings but also by having one-on-one meetings regularly. Several HRBPs also emphasize that a prerequisite for them to be able to deliver impactful solutions is that the line managers commit to the partnership by being open and honest about the business.

I tell them that "this is what I want to be. We need to have trust in each other, I need to know about the business, the daily processes, talent, strategy and the organization in order for me to be a support and enabling you to perform". (HRBP 3)

Another important part for mutual contribution is based on continuously improving both individual and collective efforts to achieve the organizational goals. Line managers expect the HRBPs to have a vast knowledge of business trends and their HR equivalence to support the business objectives. Despite this, several HRBPs mention that some line managers at times have a lack of understanding for HR and the business being intertwined. HRBP 3 exemplifies this from discussions on future business goals where some line managers talk business first and then people whereas the HRBPs unanimously consider them as entwined. Alignment of expectations and contribution to the partnership is considered to be improving with time as the HBRP role becomes more established, although some managers are still adapting.

It has been a development also from their side since they were not used to my role. I think in the beginning they thought that I was perhaps a bit demanding since I would like to get involved in the leadership teams and they were not used to that. Sometimes, they probably think I would like to be too much involved and be a part of what they are doing. (HRBP 4)

To fulfill responsibilities and expectations, both within the professional roles and the partnership, factors such as motivation, genuine interest and positive outcomes are considered important. Without clearly defined reasons for contributing to the partnership, respondents from both groups claim it would not be successful and there

is consensus that it requires a combined effort of each individual fulfilling its part. Working outside the comfort zone and taking an active interest in each others daily struggles is mentioned as a way of ensuring commitment to the partnership. Aside from the formal requirements, motivation to collaborate is mainly described as based on actual results from partnering. Line managers frequently describe that their HRBP enables them to make qualified decisions which makes them better leaders and consequently contributes to achieving the business objectives. HRBPs mention the mutual exchange of knowledge and business insight that comes with the partnership as main motivational factors. Although all respondents consider the collaboration positively, a few also mention there is a lack of feedback on contributions.

In way we are working with it because we have a performance culture, and that's ok, but then you also need to know what you are doing wrong or right. I also think it has been a discussion that it is important to give feedback, but when you talk about processes and what could be improved and so on, I do not give or get much feedback. That is the organizational culture, we are not very good at it. (HRBP 4)

Feedback is considered important for ensuring that the collaboration corresponds to both individual expectations and overall organizational goals. Both line managers and HRBPs describe this is difficult since expectations and responsibilities differ depending on level of seniority and each specific business unit. In connection to this, feedback is mentioned as a possible solution to potential misalignment of expectations along with having an holistic view on what is needed from both parts to achieve positive results. LM 2 identifies other potential barriers in the collaboration, of which lack of time and planning in the implementation of HR policies and processes are considered main. Although initiatives are fully supported by the managers, translating these into the business can be problematic sometimes since "all decisions made by academics are not necessarily meant to be implemented in practice" (LM 2). Besides, the HRBPs need to be present and support not only the implementation of initiatives, but also evaluate their implications for each business unit. This, explained by LM 3, is not currently done within the organization and could be positive for the partnership as well as the business, since it would provide feedback on how initiatives are working in practice.

#### 5.3 Adding value

Findings show that adding value is considered a determining factor for the partnerships and is described on both an organizational and personal level. The ability to make sense of the partnership in terms of positive outcomes is key in defining its created value and assessed on both collective and individual interests, with focus on performance and returns for personal investment respectively.

#### **5.3.1 Organizational value**

On an organizational level, the partnerships are described as adding value mainly by supporting the business strategy and improving organizational performance. Discussions on how to meet business objectives are primarily based in the management teams and structured from the business plan. Respondents from both groups describe that the partnership allows for more durable decisions since it includes consideration of corporate strategy, specific business objectives as well as current HR practices. Mainly, the aim of long-term planning and strategic work is to increase profitability which the majority of respondents consider a main objective of the partnership. As described by LM 3, an essential part of adding organizational value is based on the "hardcore data", by reducing turnover and improving financial performance which is ultimately considered on the basis of making the right decisions and enabled by working closely with the HRBP. In addition to divisional business objectives, the interviewed HRBPs also explain that a close partnership with managers is important for aligning HR strategies with business strategies and thereby fulfilling the long-term business vision. Here, having a holistic view and concentrating on both the business and HR is important. This means working across the borders of respective professional area and is often a question of understanding and using each others strengths.

Another important part of adding value is to collaborate in order to ensure there is speed and quality in the processes, not only on a strategic level but in the daily business as well. This is exemplified by HRBP 5 who describes that the real value of the partnership comes from supporting the manager on everyday issues since

We managers are also a sort of business partner to the rest of the business and are not in ourselves creating any value, so there is a need to need to find out where you can benefit from each other. (LM 1)

"[d]ecisions would be fragmented otherwise, so partnering is a little like glue in the organizations, it ties it together and creates focus and direction". This can include a number of things such as recruiting new talents, leadership development or identifying future business needs. Existing corporate values also provide a framework for how to conceptualize the purpose of the partnership. HRBP 2 states that this provides a common langue in which individual principles, albeit important, are considered secondary. However, this is not described as a problem but rather as giving direction in the daily work since it defines a mutual goal of acting in the best interest of the organization. Within this process, the partnership is crucial since it can improve individual performance which subsequently creates value on an organizational level.

I think that leadership drives engagement and engagement drives performance. So if I can help improving leadership in terms of quality, building performance culture and great leaders, then I think that will impact on the engagement among the employees but also the leaders themselves and that will benefit performance on an individual level. If you add all that up, Arla Foods will also have increased performance. (HRBP 5)

#### 5.3.2 Value on a personal level

Adding value on a personal level is also important to the respondents and closely linked to self-motivation. A shared vision of how the partnership creates personal value includes achieving positive results, being appreciated and continuous learning by being challenged based on another perspective. Adding value is also related to personal growth and developing both within the professional roles and as a partner. For the interviewed HRBPs, personal value is frequently described as making a difference by enabling managers to realize their potentials.

Helping people to fulfill their potentials, that is very motivating for me. So when I evaluate whether I have added value or not, it is very much based on if I can see that the people I work with are doing their outmost to add value, to motivate and engage other people or to fulfill their own potential. Then I am adding value on a personal level. (HRBP 5)

Similarly, line managers value being able to make more qualified decisions based on the HR insight and are much focused on the actual results from the partnership. LM 1 states that the HRBP is important for personal development since "the biggest contribution HR can do is to be there mirror of us [managers], none of us are perfect". LM 3 thinks that the partnership would likely generate more value if it was less formal and describes that it has a tendency to become mechanical at times. In connection to this, several managers as well as HRBPs explain the importance of informal meetings and having a close personal connection which can be compromised by geographical barriers and lack of time in some of the partnerships. Despite a few differences in conceptualization, there is an established mindset that adding organizational value is the predominant aim of the partnership, although value on a personal level is described as an important motivational factor.

#### **5.4 Forming trust**

Respondents unanimously consider trust the foundation of having a good partnership and describes it as contingent on both performance within the professional role as well as individual characteristics. Primarily, descriptions include being credible in the respective formal role by having the right competences, delivering on set expectations and being present. Ultimately, trust is considered rewarded, as developing progressively by proving one's worth and requires continuous effort. In this sense, trust is not static but requires time and effort.

It takes time. You don't have it to begin with, it's something you have to build and I think I'm there but it's something you have to work on continuously. When you gain the trust it's not just something that stays there, it's something you have to always be on top of. (HRBP 2)

#### 5.4.1 Trust based on professionalism

Performing according to expectations is central to professional trust. Several HRBP respondents describe this as a matter of having insight into both the organizational business as well as being knowledgeable about the specific challenges of each business unit. In addition to having knowledge of the business, being trustworthy and capable is described as what ultimately leads to being fully involved in the manager's business agenda. HR functional excellence and the ability to communicate this to the line manager is also considered important.

For building trust you need to be good at your skill, you need to be good with HR, to know what you talk about and be a positive thinker, to be able to have something to offer the line from a professional HR point of view. Otherwise you will not have trust. (HRBP 5)

HRBP 3 explains that respect and integrity are key as a business partner and that "you have one or two tries, and then if you're not involved, you're not trusted, then you're out". Equally important is that the line managers establish trust by performing within

their role, both as a people manager and business leader. This includes having regular meetings with their HRBP and inform them about the current business issues. LM 4 conceptualize trust as based on actual results and the positive outcomes resulting from business partnering is described to legitimize the partnership and create a form of professionally based trust which is ascribed to the formal HRBP role. In relation to this, respondents from both groups mention the management teams are important. In these meetings, trust is built by sharing expertise knowledge based on a mutual interest and respect for each others challenges, as mentioned by several line managers. Results are also mentioned in relation to these meetings, with reference to trust as earned by the HRBP giving impactful solutions and challenging the managers, and not given just by being present.

Trust is also considered a prerequisite for the development of a more advanced levels of partnering, although collaboration in a recently formed partnership is described as different from one that is well established. Most HRBPs state that simply enforcing principles would cause them to be considered bureaucratic and have a negative impact on their credibility as professionals. In this sense, professionalism does not include a set agenda but also requires consideration of the specific partnership to create trust.

Especially in the beginning of a relationship it's more important that you bend your principles to show that you can deliver solutions. Then later on, when you have got that credibility and respect, it's easier to take arguments around what the right thing is to do. It's very delicate in the beginning of a relationship, you have this almost emotional intelligence applied into your actions. (HRBP 6)

#### 5.4.2 Individually based trust

Another form of trust is described as based on individual characteristics and personal qualities such as being open, positive and dependable. Besides, it is also important to be comparable on a personal level, as two individuals rather than two professionals. LM 4 explains that "in the whole concept of a business partner it is extremely important that you are on an equal a chemical level as well otherwise you wont get that [trust]". HRBP 3 describes trust as a "foundational, personal thing because some people, they just don't click" but also adds that there are ways to work with potential personal issues to have a successful partnership. One way to work with individually based trust is to ensure enough time is invested in the partnership. This is related to

having an ability to build positive relations which opens up the partnership for discussions on a personal level as well.

Actually also knowledge on a personal level, I think that's also something that helps to build trust. To know what kind of person the other one is, what background, what are the values besides the defined corporate values, what are the values for this specific person, how do they react on specific areas, what are their expectations. (HRBP 2)

In contrast, LM 3 states that no actual reflection has been made regarding whether or not the HRBP has trust. It is considered a given and any person holding that position would receive the same amount of trust by being approachable, interested and staying connected through regular communication. Another recurring description is exemplified by HRBP 1 who describes that personal trust is more a question about the HR business partners committing to the partnership by being available and present. This may or may not include having a personal knowledge of the line manager since each partnership is different. Although this form of trust is recognized as important, it is frequently mentioned as secondary to that of professionally based trust.

#### 5.5 Power dynamics within the partnerships

Respondents primarily consider power as a function of knowledge based on two different areas of expertise. This is shared and balanced mainly based on a mutual respect as well as a common interest of supporting the organization. In this sense, the hierarchical structure is considered minor to reaching collective goals and the general perception is that the partnership is based on equal terms determined by a mutual interest to achieve results rather than status.

As an HRBP I can be below that person in the hierarchy. I can be above that person in the formal hierarchy, but for me it doesn't change the fundamental condition that it is a question of respect between two people and two points of view. I think the overriding argument will always be what would be the organizational effect of the decisions that we make. (HRBP 1)

Dialogues are described as open and LM 3 states that "the HRBP has kind of a dotted line" to the business, with reference to the lack of a defined social structure within the partnership. Although it is recognized that differences in status can apply, the partnership is considered as a way for professionals to collaborate for which reason claims to power or status would likely impair the partnership.

I think you can have status in different ways. If it's a status power thing, a high and low, then you are not a good business partner. If the line manager is high in status and you're low in status, then you become more of a supporter so it's really important that it's equal. (HRBP 3)

HRBP 3 also explains that there is a mutual dependence within the partnership and that if either part fails to perform, so does the other. Most respondents reflect this view of the collaboration as based on different areas of professionalism and a main concern is to understand how to cooperate in order to create mutual benefits.

We are two professionals from two different areas I would say. I don't see difference in status, I never thought about that I am below or above him [the HRBP]. It's really about the mutual respect and how we can use each other, with our different skills. I am also a people manager, so he can help me develop within that area. (LM 1)

References to formal power are only made in connection to control over decisions where the line managers are ultimately responsible. This process is however balanced within the partnership by each part bringing in their specific knowledge to enable more qualified decisions which can include the HRBPs taking mandate in some decisions to find the best solution for the organization. Overall, the HRBPs have a more of a facilitator role and provides valuable insight based on integrity rather than formal power.

Based on the mutual trust and the mutual respect, you present your perspectives and sometimes we agree, sometimes we disagree. The formal authority, the formal power, always resides with the manager. This does not mean that I can't make my views count in the relationship and I can be very firm, I can be very adamant and I can also deny to do what the manager wants to do. That's as much integrity as it is formal authority. (HRBP 1)

Lack of hierarchy within the partnership in combination with the autonomy to decide on changes within separate business units is positively regarded by the line managers although support from the HRBP is considered important in the process of making those decisions. Unclear understanding of the role is mentioned by several HRBPs as a potential issue in the decision-making processes since line managers were not used to HRBPs participating in management meetings. HRBP 4 describes that this caused some confusion at first and that some managers are still holding back information because they are used to taking decisions independently and not ready for a complete partnership. However, this is developing in the right direction with time and both HRBPs and line managers considered themselves as working in close collaboration, which enables better performance of both business and HRM related tasks.

# **6. DISCUSSION**

This part of the thesis considers empirical findings in connection to previously presented research and theory. First, a discussion on the practical and theoretical meaning of the HRBP role is included. The following sections will then consider the perceived value of exchange within the partnerships as well as the influence of trust and power in forming a successful collaboration.

### 6.1 Implications of the HRBP role

Through implementation of the SSM, the HR function at Arla Foods has successfully moved away from being a traditional support function towards performing as a strategic and business orientated function which is in line with current trends within HRM (Hope-Hailey et al., 1997; Ulrich, 1998). Although administrative support is still available through the HRGBS, focus is on HR adding value as a proactive function for increased organizational performance. Findings also indicate that the HRBP role has been a significant contribution to the reinvention of HR as a strategic partner at Arla Foods. In accordance with findings by the CIPD (2007), the implementation of the HRBP role has contributed to a more positive regard of the HR function among the line managers and respondents from both groups recognize that HR has been brought closer to the business. The interviewed HRBPs experience that it has been a slow process but that the line managers are gradually getting used to having business partners although the HRBP role has been a cause for some confusion. Consequently, there are some differences between how the line managers use their HRBPs and the other HR functions with some in frequent contact with both the HRCC and the HRGBS whereas others always turn directly to their HRBP. In this process, interviewed HRBPs consider that their role includes a responsibility to link the HR community to the line of business not only through processes but also by connecting the managers to other HR professionals within the HRCC and HRGBS.

The HRBP role in the studied partnerships reflect arguments made in previous research regarding the multiplicity of competencies and expectations which are related to the term business partner (Lambert, 2009; Ulrich, et al. 2009; Francis & Keegan, 2006). Primarily, both professional groups consider the need to master both a knowledge of the business as well as relevant HR processes central for HRBP performance. Results show that that this is largely balanced within the role by attending management team meetings and ensuring functional excellence in both

operative and strategic support to line managers. In this sense, the HRBP role can be considered a form of hybrid-role as described by Truss (2008) which validates administrative services while also delivering strategic solutions to the line. However, interviewed HRBPs are performing a minimum of operative tasks which are considered a means of establishing the partnership rather than a formal part of the HRBP role as such. In contrast to concerns regarding the risk of being overburdened with operative tasks (compare Lambert, 2009), the HRBPs do not perceive that this hinders their performance on a strategic level. Instead, delivering some basic, operative services can be understood as a prerequisite for taking part in the real business.

In agreement with Brockway (2007), the HRBP role at Arla Foods is determined by both seniority and specific challenges which vary between the business units. This complicates a full definition for the HRBP role at Arla Foods since consideration would have to be given to the different levels of HRBP seniority within the organization. The issue here seems to be that although some competencies such as business acumen, interpersonal and leadership skills are given, the role is also changeable in terms of specific preferences within each partnership. However, in contrast to Francis and Keegan (2006), most HRBP respondents do not consider this a problem, but rather that the lack of completely defined responsibilities allows for a high degree of individualism in the role, which ultimately allows them to be better business partners by supporting both general and specific needs. This requires a clear definition of responsibilities and expectations based within each partnership and both groups recognize that the HRBP role may include more broadly defined responsibilities at the beginning of a partnership which are then redefined as the partnership progresses. An example of this is that the HRBPs are more involved with operative work at the beginning of the partnership whereas over time, line managers are increasingly referred to the HRGBS or HRCC. In accordance with Beer (1997), the line managers regard their HRBPs as proactive partners who provide impactful business solutions while also maintaining a positive relation. Although the HRBP role mostly contributes on a strategic level, it also includes solving ad hoc issues by being knowledgeable not only about long-term objectives but the challenges in each line manager's daily operations. By taking a personal interest, the HRBPs are not just considered in terms of challenging the line managers to make more qualified

decisions but are also accepted as what Wright (2008) labels trusted advisers. This indicates that the HRBPs have reached advanced levels of partnering which is especially important since the role includes an element of monitoring the line managers progress on global HR initiatives and ensure deadlines are met without impairing their credibility.

#### 6.2 Cross-functional exchange as adding value

The following section will discuss findings on reciprocity and added value within the partnerships. According to SET, expectations of reciprocity are closely related to the perceived value that the exchange may result in for which reason motives for and outcomes of the exchange will both be considered at this point.

Findings show that line managers and HRBPs perceive their contribution to the partnership returned based on a mutual commitment in terms of both individual and collective interests to reach positive results which reflects main premises of SET according to Gouldner (1960) and Cole et al. (2002). In the studied partnerships, line managers and HRBPs work together to align future and current business needs with relevant HR processes. Discussions are often based in the management teams where direct exchange includes line managers sharing business knowledge in order for the HRBPs to give impactful solutions based on an HR perspective. It is also within this area that the main expectations and contributions are found. In accordance with Lambert (2009), the HRBPs generally describe that in order for them to contribute, the line manager needs to have an open agenda about the business and potential issues. If the line managers are holding back information, which seems to occur in some of the partnerships, this complicates the HRBPs ability to provide well founded advise and solutions. Based on the empirical data, reasons for the lack of sharing information may not be intentional however. Since the line managers unanimously consider the HR perspective a valuable contribution, it is likely that the potential holding back of information is instead based on an unclear understanding of the HRBP role. This could mean that the HRBPs are not given complete access to all issues only because the line managers are not sure of how and if their HRBP can be of assistance. Despite problems with a generic definition, each partnership could likely benefit from establishing what the HRBP role includes based on the specific business unit under which it functions. This, in turn, could potentially make the partnership

more effective and facilitate the exchange process further. Since line managers expect their HRBP to deliver high quality HR support and advise based on business insight, it is important that the partnership includes an equal exchange of respective areas of expertise for successful collaboration.

In the studied organization, formal role requirements and individual expectations are determinant for the specific exchange and if either part fails to deliver in their respective role, this would affect outcomes negatively. In connection to this, it can be understood that line managers and HRBPs bring insight based on two separate areas of knowledge to the partnership based on a what Liden et al. (1997) refers to as a mutual-interest, which in present case is to improve organizational performance. This appears to be a main motivational factor for both groups and is largely based on a loyalty to the company as well as a will to achieve positive results. This is important for the partnership since it provides a framework for acting in the best interest of Arla Foods based on collectively determined goals. Although both HRBPs and line managers contribute to the partnership with expectations of their efforts being returned based on equal commitments (compare Gouldner, 1960), it seems that reciprocation in the studied partnerships largely comes from sources which are not necessarily based in the dyadic exchange (compare Cole et al., 2002). An example of this is increased performance within a business unit as a result of line managers being able to make better decisions based on support from their HRBP. Although the HRBPs investment in this process may not be equal to the specific return from the line manager, increased overall performance is in itself considered a valued outcome resulting from the collaboration. Therefore, long-term benefits of the partnerships can be considered balanced for which reason the respondents perceive their contribution as returned independent of direct or indirect reciprocation (Gouldner, 1960).

Although the partnership as such is based on an organizational interest, individual attitudes and sense-making of the partnership appear to be equally important which is in line with Emerson's (cited in Cook & Rice, 2003) views of individual value resulting from exchange. Respondents from both groups consider that the partnership is rewarding on an individual level, which can be explained as the collaboration being based on a self-interest to develop within the respective roles (compare Liden et al., 1997). In accordance with Lambert's (2009) research on goals of the HRBP role, all

interviewed line managers recognize that their HRBP gives support on both long and short-term goals as well as enables them to perform in the leadership role. Equally, HRBPs in the studied partnerships explain that the partnership gives them a business insight which is both stimulating and rewarding in terms of developing as a strategic partner and can be related to Ulrich and Brockbank's (2005) argument of the partnership adding more value through combined efforts than would separate. This is true for both organizational and individual performance since development within the professional roles ultimately results in overall increased performance which is reflected in the majority of the interviews. Closely related to this discussion is the recognition of how the line managers and HRBPs can benefit from each other which is partially determined by existing corporate values as well as by subjective assessment based on previous experiences and alternative means of reaching positive results (compare Thibaut & Kelley, 1959). This becomes especially important in terms of the personal expectations which can be based on both specific business needs and individual preferences depending on the specific partnership. Here, the mentioned risk of the partnership becoming mechanical is relevant since this may affect responsiveness to individual needs specifically. A central means of avoiding the partnership becoming what Blau (1964) refers to as transactional exchanges is therefore to ensure development of a true partnership which includes commitment based on individual sense-making (Emerson, cited in Cook & Rice, 2003). In the studied organization, this is partially achieved by ensuring that HRBPs and line managers realize that there is both individual and collective benefits resulting from the collaboration.

Similar arguments can be found in research on the specific HR-line partnership which conclude that the increased collaboration is best considered in terms of true partnering rather than devolution of HRM responsibilities, where both parts commit and clearly understand the need for a partnership (compare Currie & Procter, 2001; Whittaker & Marchington, 2003). Line managers in the studied partnerships at Arla Foods support this line of thought in the sense that HRM responsibilities such as employee development and appraisal are not considered separate from their managerial role but as given responsibilities for any manager. By taking ownership of HRM responsibilities within their specific business unit, the line managers are not only managing the business but also performing as people managers for their employees,

which according to Renwick (2003) is a prerequisite for HR-line collaboration. In this sense, just as HR acts as a business partner, the line managers also perform in the role of HR partners. However, being successful as a people manager is frequently referred to as contingent on support from the HRBP and the other HR functions for which reason a positive exchange is beneficial for both parts.

#### 6.3 Trust matters

Trust is perceived as established within all studied partnerships although results indicate that the formation of this trust is dependent on different factors. Primarily, trust is considered in terms of professionalism, based on being competent and credible in the respective formal roles. In agreement with Blau (1964), respondents from both groups state that this credibility is not given but earned over time through professional capability and actual deliveries. However, trust is also described as influenced by what Cheshire et al. (2010) describes as structurally determined exchange. This can be understood in terms of the professional label or role bearing a certain degree of trust which is determined by a third-party actor, in this case the Arla Foods organization. Hence, trust is ascribed to the formal role or title and not only based on actual performance. Although not expressed by all respondents, this view is of importance since it exemplifies a form of trust which Cole et al. (2002) labels as organizationally created and therefore not entirely based on subjective experiences. An example is that the interviewed HRBPs communicate and work together with their line managers on many different levels which arguably creates different forms of trust. The HRBPs participation in management team meetings is likely to have a positive influence on both professional and organizationally based trust. By being a part of these formal meetings, the HRBPs are involved in the business agenda at an early stage and therefore better able to support their line managers which further benefits their credibility.

In order to become a trusted partner however, Ulrich and Brockbank (2005) claim that both informal and formal meetings are required. This is supported in the empirical data with respondents from both groups mentioning open dialogues and responsiveness to ad hoc situations as important for creating trust. This can be understood in terms of what Levin and Cross (2004) labels competence-based and benevolence-based trust respectively. In the studied organization, competence-based trust is exemplified by the HRBPs earning the line manager's trust by providing insightful solutions based on a profound business knowledge as well as HR expertise. Equally, the line managers build their competence-based trust on for example fulfilling daily HRM responsibilities as well as delivering on set deadlines such as the global HR processes. In agreement with Levin and Cross (2004), benevolence-based trust can be related to the participant's willingness to support each other, which as previously discussed is based on both individual and organizational interests. Since several line managers are described as adapting to business partnering, trust based on both competence and goodwill likely benefits development of strong relational ties (compare Levin & Cross, 2004), something which has been established in the studied partnerships through regular and open communication. Based on the empirical findings which indicate that line managers are still adapting to having business partners, arguments regarding whether or not HR is ready for a complete partnership can also be made. It is likely that changes following from the implementation of the SSM have not only affected the managers but also HR professionals within the different functions. Therefore, trust based on professionalism and goodwill is not exclusive for the HR-line partnership but also central for creating strong relational ties within and between the different HR functions. Arguably, this would make HR as a whole better prepared for working in close collaboration with managers on all levels.

In connection to these findings, interviewed HRBPs also recognize that the ability to build credibility varies depending on the specific partnership and its progression. From a SET perspective this is essential for reducing what Blau (1964) labels as uncertainty within exchange partnerships. As exemplified in the empirical data, newly formed partnerships require a more delicate approach in order to establish a basic form of trust. This can include delivering on basic, operative tasks as well as "bending principles" in order to deliver within expectations. Flexibility is also an important part of forming good relations and may contribute to being accepted as a trusted adviser which arguably requires high levels of trust (compare Wright, 2008). In the discussion on trust, respondents also consider individual values and personal knowledge as important. In contrast to professional trust, this form of trust and its ascribed value appears to be more difficult to conceptualize and descriptions vary. The reason for this could be that values and norms which are not based on corporate guidelines are contingent on subjective assessments which are likely to differ between individuals.

In agreement with McCracken and Heaton (2012), most respondents considered that being comparable on a personal level may benefit the formation of trust and good relations within the partnerships. The bearing of trust based on individual values is not entirely clear however. While McCracken and Heaton (2012) claim that personality and matching of individuals is fundamental for success in the HR-line partnerships, findings from the present study suggest only partial support of this view. Although being equal on a "chemical level" is described as important, respondents more frequently mention commitment as a key factor for establishing individual trust. Trust can therefore be argued as affected, but not determined, by potential differences in personal values since these are secondary to the organizational values and goals in the studied partnerships. However, it is difficult to make inferences regarding this based on the present findings since all respondents report high levels of cooperation and overall positive experiences. It is therefore possible that a study conducted over a longer period of time might find that differences in personal values may in fact have a significant impact on the formation of trust although this cannot be proven in the present study.

#### 6.4 Power as a function of mutual dependence

Although power dynamics exist in the studied partnerships, this is not commonly measured or exercised in terms of differences in status or formal hierarchy. The absence of claims to power is in line with previously discussed findings since high levels of trust and valued exchange are ascribed to the studied partnerships, which makes significant power imbalance unlikely as this would indicate a partnership based on uncertainty and low levels of trust (compare Blau, 1964). In fact, several respondents express that no consideration is given to potential differences in hierarchy or status in the partnership since this would likely impair the collaboration. Instead, findings indicate that power comes with being competent and bringing knowledge to the partnership based on business and HR insight respectively. According to Emerson (cited in Cook & Rice, 2003) and Blau (1964), power is central to social exchange as a means of conceptualizing mutual dependence and imbalance within partnerships and closely linked to trust. Since the partnerships are contingent on both HRBP and line manager contribution, sharing this knowledge can be considered a function of mutual dependence (Emerson, cited in Cook & Rice, 2003). This is exemplified in the results by line managers depending on their HRBPs for support on both business and

HRM related issues while the HRBPs are not able to provide this support without the line manager being open and honest about the business. In accordance with arguments made by Blau (1964), this involves an imbalance of control over valued resources, such as knowledge in this case. However, findings suggest that respondents exercise their professional power or expertise to achieve mutual benefits rather than to fulfill separate interest which is a premise for high quality partnerships (Renwick, 2000). This is important for the partnerships at Arla Foods since the mutual dependence is framed by a mutual interest to increase organizational performance, in which respondents consider differences in social status or power as potential barriers to success.

Formal power within the partnerships is considered important only in relation to control over decisions. While all respondents confirm that the line managers are ultimately responsible for decisions related to their business, the HRBPs competence and knowledge give them some power to influence these decisions. As argued by Wright (2008), findings indicate that the legitimization of this power largely depends on the line managers accepting the HRBP as a trusted adviser. Although this status has been reached by the HRBPs at Arla Foods, line manager reluctance to include their business partner in decision-making processes has occurred in a few partnerships. This is a potential barrier to success within the partnership since line manager skepticism can create both distrust and hinder the HRBPs ability to perform (Lambert, 2009). However, this is not represented in most partnerships and the reason for not including the HRBP in some decisions is a likely result of the managers being used to take decisions independently rather than a deliberate choice. It is therefore likely that the HRBPs' position and power to influence decisions should increase with time, as the role becomes further established and the managers get more used to being in a partnership. In the majority of the partnerships, this level of partnering has already been reached and line managers perceive that their business partner empowers them to make more qualified decisions (compare Brandl et al., 2009; Currie & Procter, 2001). As exemplified in the empirical findings, this does not mean that the HRBPs always agree with the line manager but that, instead of claims to power, discussions are based on contributions from different professional perspectives.

This complicates an understanding of power structures within the partnerships at Arla Foods since business and HRM responsibilities are not completely owned by either part but shared within the partnership. The lack of defined structures within the partnership is also represented in the description of the HRBP as having a dotted line to the business. Similar arguments can be found in research by Brandl et al. (2009) which suggest that HRM specifically is a form of grey zone in which the cross-functional collaboration between managers and HR becomes especially relevant. According to this view, HRBPs empower the line managers to develop their HRM skills which is important for both the actual ability and motivation to perform these responsibilities (Brandl et al., 2009). Consequently, while the HRBPs at Arla Foods are not the decision-makers, they have a form of power by bringing in HR perspective which empowers line managers to administer both the business and HRM more efficiently.

## 7. CONCLUSION

This part of the thesis aims to clarify if and how the purpose has been fulfilled based on the empirical findings. Also, main critical reflections on this study will be presented along with suggestions for further research.

### 7.1 Concluding remarks

The purpose of this thesis was to create an understanding for cross-functional exchange in the HRBP-line partnership, with focus on added value and factors which may hinder or promote its success. A descriptive purpose has been to understand implications of the HRBP role specifically. Main contribution of this study is its use as a first step in understanding relational dynamics and perceived value of exchange, of which there is a paucity of studies. Findings have also confirmed the view of HRM and business strategies as shared rather than owned by HR or managers respectively.

The results verify that implementation of the HRBP role has been an important part of integrating HR with the business at Arla Foods. However, the change in focus from HR support to business partnering presented in this thesis also demonstrates that the reinvention of HR is often a continuous and fragmented process, both in the literature and in practice. As a result, the HRBP role at Arla Foods includes a high level of individualism and is affected by both professional and contextual factors, such as seniority and the specific business unit under which it functions. Although this complicates a generic description, it also allows the business partners to be flexible and proactive in their support to line managers. Findings show that the HRBPs influence the business agenda while also delivering quality HR services which has earned them the recognition of a natural contributor and facilitator in discussions on both HRM and the business. Ultimately, the HRBPs at Arla Foods can be considered to have reached the position of trusted advisers and perform predominantly on a strategic level, even with individual and contextual differences considered. The business partners have an important role in improving overall HR performance for which reason continued focus on developing and sustaining relations not only with managers but also with HR professionals in the other functions is recommended. This might be important for ensuring that the HR profession does not become diluted as a result of the increased business focus. By forming robust partnerships on all levels the HRBPs can therefore contribute to a legitimization of the HR profession and maintain an HR perspective while also performing as a partner to the line of business.

A social exchange perspective was applied as a means for exploring the social interaction and relational dynamics within the partnerships. This approach allowed for consideration of both collective and individual behaviors as well as the motivation behind them. Direct exchange within studied partnerships involves knowledge sharing which enables impactful decisions to be made based on both a business and HR oriented perspective by aligning strategies and supporting the long-term objectives. Perceptions of value resulting from the exchange is observed on both an individual and organizational level, influenced by an interest-based motivation. Although the long-term value is mostly based on a mutual-interest to increase organizational performance, there is also a self-interest motive to develop within the respective roles. This individual sense-making appears to be a contributing factor for having a true partnership since it promotes commitment based on both personal and organizational interests. Although the partnership is determined by an organizational need, personal motivation is important since increased individual performance ultimately creates value on an organizational level as well. A conclusion which can be made is that pressures for increased performance and efficiency may present a risk of making the collaboration mechanical. In order to maintain positive exchange within the partnerships and high levels of motivation, informal meetings are encouraged.

Main success factors within the partnerships have also emerged through this study. Primarily, high levels of trust are determinant for both establishing and maintaining a successful collaboration. The formation of trust is not static but earned and validated over time based on being competent and performing within the professional role. This includes a sensitivity to expectations within the partnerships largely established by having regular meetings and open dialogues. Failure to establish trust would compromise communication and knowledge sharing within the partnership and thereby hinder its performance. Claims to power and differences in status were also identified as potential barriers to success and not commonly ascribed to the partnerships. Instead, power is conceptualized by a mutual dependence based on knowledge sharing and performance of the other part, of which HRBPs are given some power through influence although the formal power to take decisions resides with the managers.

#### 7.2 Critical reflections

Since the methodological chapter included both presentations of and justifications for specific approaches used in this thesis, this part mainly focuses the thesis as a whole. There are several limitations of this study which need to be considered in order to understand its scope and guide further research. In the methodological section, hermeneutics was discussed as a process of alternating between a pre-understanding and understanding for the researched area (Alvesson & Sköldberg, 2007). This has been an important part of this thesis since the interview guide, and consequently accuracy of questions, were improved as data collection progressed. However, this can also be a potential limitation since conducted interviews can affect approach during the following interviews based on an expectation of what information will be shared (Langemar, 2008). Although it is not possible to remain entirely objective as a researcher, measures were taken to prevent personal values or expectations from affecting the collection and analysis of data. Careful consideration has been taken not to ask leading questions during the interviews and to ensure correspondence between the collected and interpreted data. However, since the study used a qualitative method based on semi-structured interviews, questions were not identical between interviews. Differences between interviews and interpretation of collected data may therefore have affected the trustworthiness of results although measures were taken to reduce this risk.

The generalizability of findings from this study is also an important limitation. Since a case study approach was applied, findings are specific to the case organization and therefore not likely to be generalizable to other settings (Hakim, 2000). However, a means of making the findings more representative has been to select participants from different functional areas and with varying levels of seniority in order to create a representative sample and holistic view of the partnerships. Another limitation is that the selection of participants was based on recommendations from my contact person and other members of the organization which could mean that individuals with mostly positive experiences were chosen. On the other hand, this allowed for a strategic selection of participants with relevant insight into business partnering. Therefore, it can be argued that findings are likely to be representative for the general population at Arla Foods, but that their generalizability to other organizations is limited. Consideration must also be given to research ethics of this study. First, anonymity may have been compromised due to the process of selecting participants and majority of interviews being held at the corporate headquarters. However, measures were taken to ensure anonymity in the presentation of data which was also communicated to participants to encourage open and honest dialogues during interviews (Bryman, 2011). Second, the fact that my contact person and other employees at Arla Foods recommended participants may have pressured them to partake in the study. To reduce this risk, all participants were informed about their right to withdraw their consent at any time as well as given the choice to deny recording or transcription of the material.

#### 7.3 Suggestions for further research

With reference to the results of this study, together with the limitations outlined in previous section, there are some suggestions for focus in further research within this area. One interesting approach would be to build on the present study by investigating if and how levels of seniority affect the partnership. A comparative method based on qualitative semi-structured interviews with managers and HRBPs from both entry and top level partnerships would be possible. This approach may contribute to the field by creating an understanding for how exchange and dynamics within the partnerships are conceptualized based on differences in functional levels. Preferably, such a study would be performed over a longer period of time to investigate how the partnerships progress and include a substantial number of participants from each level.

Another important area for further research would be to interview other HR professionals within the shared service model once the transformation at Arla Foods has progressed a few more years. One suggestion is to investigate potential barriers within the HR function, how these can be overcome and their meaning for HRBPs role as a representative for the HR community. This approach would benefit from using both questionnaires and interviews since this would allow both a general understanding and individual experiences of collaboration within the HR function. Such a study would need to include a large sample of professionals from HRGBS, HRCC and HRBPs respectively.

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# **APPENDIX 1 - Interview guide for HRBPs**

### Background information

- What is your specific role at Arla Foods? Under what business unit?
- How long have you worked as an HRBP? How long at Arla Foods?

## Organization of HR function

- How long has the HR function been organized according to the SSM?
- What is your opinion of the HR function as a whole? Benefits and difficulties?

## Theme 1: Role understanding

- What does the HRBP term mean to you? Main goals and responsibilities?
- Which assignments take up most of your time? (long-short term, operative-strategic, individually-teams)
- Are there any problems related to this role? If so, which are these?

## HRBPs-line manager partnership

- Who are your primary partners in the daily work?
- How would you describe your collaboration with other functions within the organization? (managers, other HR functions within SSM)
- In what ways do you work with line managers? How many LM are you supporting? How often are you in touch?
- What is the line managers role in HR? (HRM, daily activities, employees)
- What do line managers think about your role?
- What characterizes this partnership?
- In what ways do you collaborate with LM in achieving organizational goals?

## Theme 2: Cross-functional collaboration

- What are your expectations of LMs involvement in HR? Are they fulfilled?
- How do you support LM in their HR responsibilities? How are LMs supporting you?
- Do you consider your contribution to the partnership returned? (equal input of time, effort, knowledge)
- Do you receive feedback from LM or other members of the organization? If so, what feedback and when?

## Theme 3: Trust

- How would you describe understanding of roles and responsibilities within this partnership?
- How can you create trust within this partnership? What is required?
- Do you have confidence in LM performing HR work? What constitutes this confidence?
- How is knowledge shared and communicated within this partnership?

### Theme 4: Power

- How can you affect the outcome of results within this partnerships?
- How is control over decisions managed between HRBPs and LM? (negotiated?)
- Can you describe the structure within this partnerships? (status, empowerment)

• How would you describe your impact on processes and outcomes of this partnership? (allocation of work, time-frame)

## Theme 5: Adding value

- What does it mean to add value? When do you feel like your work is adding value?
- Is your work appreciated in the partnership with line managers? What is more and what is less appreciated in your collaboration?
- How can this partnership be of value to the organization as a whole? (main contributions, organizational performance)
- How can you as an HRBP benefit from this partnership? What motivates you in collaborating with LM?

## Closing questions

- What are the main advantages of this partnership? Qualities that make it successful?
- What are the main barriers in the HRBP-line partnership? How are these overcome?
- Something about this partnership that could be improved? How?
- Future competencies of the HRBP role?

## Concluding questions

• Is there anything you would like to add that has not been covered in the previous questions?

# **APPENDIX 2 - Interview guide for line managers**

### Background information

- What is your specific role at Arla Foods? How many employees are you managing?
- How long have you worked as a line manager? How long at Arla Foods?

### Organization of HR function

- Are you familiar with the structure of the HR function?
- What is your opinion of the HR function as a whole? Benefits and difficulties?

### Theme 1: Role understanding

- What does the HRBP role mean to you? Main goals and responsibilities?
- What is your role in performing daily HR responsibilities? (HRM, daily activities, employees)
- Are there any problems related to your role as a LM? If so, which? Improve, how?

### HRBPs-line manager partnership

- Who are your primary partners in the daily work?
- How would you describe your collaboration with other functions within the organization? (managers, other HR functions within SSM)
- In what ways do you work with HRBPs?
- How many HRBPs are working within your business unit? How often are you in touch?
- What characterizes your partnership with HRBPs?
- In what ways do you collaborate with HRBPs to achieve organizational goals?

### Theme 2: Cross-functional collaboration

- What are your expectations of HRBPs? Are they fulfilled?
- How do HRBPs support you in your work? How do you support them?
- Do you consider your contribution to the partnership returned? (equal input of time, effort, knowledge)
- Do you receive feedback from HRBPs or other members of the organization? If so, what feedback and when?

#### Theme 3: Trust

- How would you describe understanding of roles and responsibilities within this partnership?
- How can you create trust within this partnership? What is required?
- Do you have confidence your HRBP? What constitutes this confidence?
- How is knowledge shared and communicated within this partnership?

### Theme 4: Power

- How can you affect the outcome of results within this partnerships?
- How is control over decisions managed between HRBPs and LM? (negotiated?)
- How would you describe the structure within this partnerships? (status, empowerment)

• How would you describe your impact on processes and outcomes of this partnership? (allocation of work, time-frame)

## Theme 5: Value

- What does it mean to add value? When do you feel like your work is adding value?
- Is your work appreciated in the partnership with HRBPs? What is more and what is less appreciated?
- How can this partnership deliver value to the organization as a whole?
- How can you as a LM benefit from this partnership? What motivates you in collaborating with HRBPs?

## Closing questions

- What are the main advantages of this partnership? Qualities that make it successful?
- What are the main barriers in the HRBP-line partnership? How are these overcome?
- Something about this partnership that could be improved? How?
- Future competencies of HRBPs?

## Concluding questions

• Is there anything you would like to add that has not been covered in the previous questions?