An investigation into an alternative transactional HR model

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Introduction

Whilst much has been expanded upon in academic literature on the “ideal” HR model for business practices, to what extent has there been an unquestioning acceptance of an Ulrich style HR model? Perhaps the major focus should be about how Ulrich and associated models have been interpreted then applied to the HR function.

An investigation was carried out on a large public sector organisation employing approximately 37,000 staff, comprising of varying departments, accountable to service users, community, elected Members and various stakeholders therefore conflicting priorities exist.

In terms of the organisational context, as a local government organisation it has been affected by the Comprehensive Spending Review announced in October 2010 and the Localism Act 2010 which has led to the need for major transformation. A combination of change initiatives are underway including restructuring, outsourcing, implementation of shared services and the increased use of technology, with the aim of providing a more effective and efficient council. Priorities and objectives were changing which meant all departments needed to change and meet the new priorities.

In relation to the HR function, not only did this mean supporting departments in transformations, it had to consider its own strategy and structure and review whether it was fit for purpose to meet the current and future challenges. Budget cuts, reduced funding and competition from private sector and in fact other local authorities were all drivers for change.

The HR function reviewed its strategy and developed a number of work streams to be considered to meet the challenges ahead. One of which being the possibility of an alternative transactional HR delivery model in the form of a HR helpdesk.

The intentions being to deliver savings, create efficiencies, maintain customer focus, improve service delivery standards and support the strategic HR function; with a further potential focusing on entering into a shared service function with other organisations in the future.

The Transactional/Strategic HR link

It was clear from academic literature, in particular the work from Ulrich 1997, Ulrich and Brockbank 2008, Truss (2008), to name but a few, that the HR function needed to evolve to meet the ever changing landscape and it was suggested that ‘three legged stool’ model should be adopted.

The main purpose of the research was to investigate and evaluate the link between transactional and strategic HR and attempt to establish whether transactional HR has a direct impact on the Strategic HR elements, whether this was positive or negative.
The organisation was facing stringent budget constraints and reduced funding, which resulted in a focus on the HR function and its strategic capacity. A range of work streams were identified and one of which was the investigation into the possibility of an alternative transactional HR delivery model in the form of a HR helpdesk.

The existing HR structure comprised of various HR Centres focusing on recruitment, employee relations, payroll and policy and Business partners. All of which operated in isolation with some degree of joined up working. Although all were working to the HR strategy, it could be argued that it was not as effective as it could have been and at times, the HR department were extremely disjointed.

Shared-services are a popular avenue public sector organisations are considering in light of the challenges they now face. This Council, in particular, were keen to ensure its existing structures were resourced and had the ability and capacity to enter into such an arrangement.

The idea of introducing a helpdesk responsible for the transactional elements of HR is a different concept to how some HR functions are organised and the ideology is loosely based around the three legged stool model which is attributed to David Ulrich. The model, comprising of Business Partner, Centres of Excellence and Shared services is said to centralise and streamline transactional HR services in order to create capacity for Strategic HR, resulting in a positive impact for the organisation.

The aims of the research were:

- Investigate the drivers to implement alternative transactional HR delivery models in local government organisations.

- Considering the drivers explored above, detail the benefits, if any, this has had on the strategic HR element of the HR function.

- Detail the actual outcomes realised of those organisations implementing alternative transactional HR delivery models.

A detailed review of current and historic literature was undertaken which evidenced that a changing HR function is a growing concept that is high on the agenda of organisations. In order to retain competitive advantage and continue to compete in markets organisations need to change and evolve, Human Resource Management (HRM) plays a key part in this.

The Council were keen to explore whether a HR helpdesk would be a viable option, however to do this it was agreed a review of other County Councils HR structures should take place to learn from their experiences and true benefits of a helpdesk model.

**Research Methodology**

An interpretivist (qualitative) approach to the research was adopted, allowing for variations according to the individual and organisation that was being questioned. Interpretivism treats research as unique which makes generalisable conclusions difficult. However, organisational
practices and behaviours are dependent upon many variables, changing rapidly in the current climate, it would be short-sighted to conclude and assume that the position would remain in place for a period of years, or be applicable to every organisation. This could however impact on the reliability and credibility of the data. However, this was known from the start and all assurances were taken to ensure the research was conducted in the same manner no matter which organisation was being questioned.

The Council were keen to learn from other organisations experiences, therefore a combination of a case study, interviews and a robust literature review were adopted. Semi-structured telephone interviews were the preferred method for this research. It was felt this still provided the interviewer with an element of control over what questions were asked whilst providing the interviewee with a degree of freedom. Each interview however varied depending on the respondents therefore the semi structured interview provided an element of flexibility.

A pilot interview was undertaken, which resulted in amended questions a different interview style adopted. This proved extremely helpful as it allowed for further questions to be asked which at first appeared difficult to explore.

As described above, the purpose of the research was to consider the development of transactional HR and whether it supports the strategic HR function. The information was therefore best delivered from HR staff who had been involved in the implementation of a HR helpdesk. Purposive sampling was undertaken and access was gained to 'key informants' (Anderson, 2009) who had unique knowledge and experience in relation to the research topic. As the 'key informants' were already in discussion and contact with the organisation purposive sampling was the most sensible option. Key informants were emailed prior to the actual interview ensuring consent was received and were aware of the nature of the forthcoming questions. The access to key informants was of great help however it was important to consider the sensitivities of asking such questions and ensuring the informants were aware the purpose of the questions. Some organisations were not keen to divulge all the details due to the difficulties they experienced and this was a challenge to build effective relationships quickly.

Investigation Findings

It can be deduced from the research that development of an HR Helpdesk delivers financial savings and improvements in HR Service provision. The major benefits for customer service were the consistency of advice, accessibility of the service and speed of response. The savings were generated by efficient processes, increased customer self-service and removing more senior staff from the need to provide routine advice. The main drivers for implementing such alternative HR transactional delivery models included to "contribute to savings, improve customer service and service delivery, increase flexibility in the deployment of HR staff, encourage manager ownership and to focus HR professional time on more complex work”.

Whilst the benefits included efficient and effective resolution of queries without the need to speak to a dedicated HR team, furthermore the utilisation of one central HR number “improves the customer journey”. 
From an HR perspective, the following benefits were realised:

- Consistency of HR advice achieved through one point of contact working against common script/assessment framework.
- Efficiency in reduced duplication of effort and defining clear and consistent means of answering routine enquiries.
- Eliminating the need for senior/specialist staff to be engaged in answering routine queries and enabling these staff to be more appropriately focused upon complex and strategic advice.
- Greater availability of business information to inform performance management, customer reporting and identification of the need for proactive HR interventions.
- Presents HR as a modern and efficient service which would be attractive to new customers or partner organisations in shared services.

In contrast however the implementation of a HR helpdesk was explained with caution as there were a number of challenges that arose. Credibility of the HR service is heightened during the transition therefore it is imperative that organisations ‘get it right first time’. Furthermore the implementation of a HR helpdesk affects customers as well as the HR function itself; communication and engagement were key, and if any one of these were omitted, the consequences have a serious impact on the success of the HR transformation.

**Conclusion**

The research into an alternative transactional HR delivery model provided a useful insight into other organisations approaches and experiences. It was evident from the onset that each organisation had different drivers for the HR transactional helpdesk model however there were some strong similarities with the benefits and challenges experienced.

The reduction, automation and rationalisation of transactional HR activities allowed HR professionals to work closely with the business aiming to achieve strategic alignment, whilst ensuring consistency and best practice across the organisation.

Although difficult to measure, organisations also reported HR staff themselves felt able to contribute more strategically to the business and deal with more complex professional work. It was established that the implementation of a helpdesk drove greater self-service for routine questions and advice, although this impacted to some extent on the time of supervisors and managers accessing self – service, devolution aids the transition to an alternative HR delivery model.

**References**