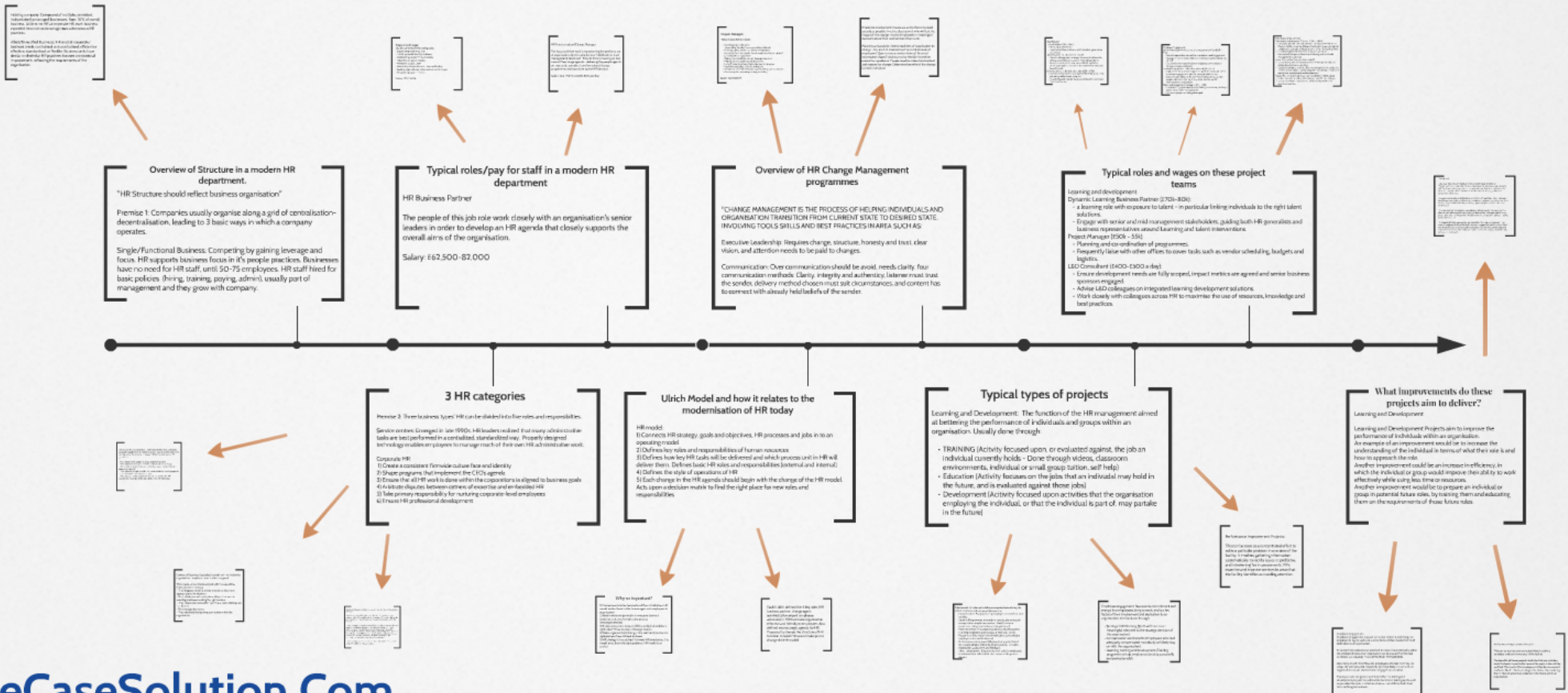
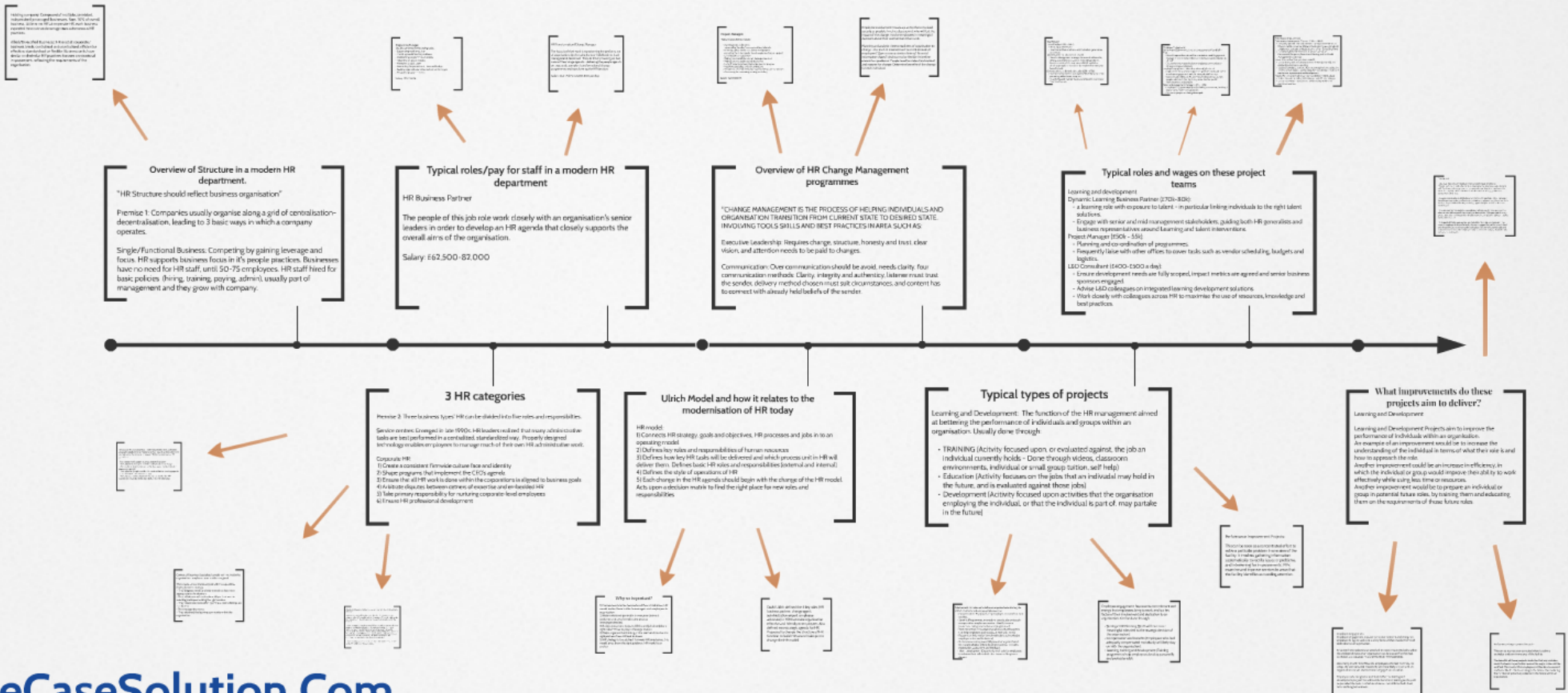


Centralization of the Administrative Services (HR & Finance)



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Overview of Structure in a modern HR department.

"HR Structure should reflect business organisation"

Premise 1: Companies usually organise along a grid of centralisation-decentralisation, leading to 3 basic ways in which a company operates.

Single/Functional Business: Competing by gaining leverage and focus. HR supports business focus in its people practices. Businesses have no need for HR staff, until 50-75 employees. HR staff hired for basic policies (hiring, training, paying, admin), usually part of management and they grow with company.

Holding company: Composed of multiple, unrelated, independently managed businesses. Rare, 10% of overall business. Little or no HR at corporate HR, each business expected to create and manage own autonomous HR practices.

Allied/Diversified Business: HR exist at corporate/ business levels, centralised or decentralised, efficient or effective, standardised or flexible. Business units have similar or dissimilar HR practices: focuses on structural improvement, reflecting the requirements of the organisation.

3 HR categories

Premise 2: Three business types' HR can be divided into five roles and responsibilities.

Service centres: Emerged in late 1990s. HR leaders realized that many administrative tasks are best performed in a centralized, standardized way. Properly designed technology enables employees to manage much of their own HR administrative work.

Corporate HR:

- 1) Create a consistent firmwide culture face and identity
- 2) Shape programs that implement the CEO's agenda
- 3) Ensure that all HR work is done within the corporations ia aligned to business goals
- 4) Arbitrate disputes between cetners of expertise and embedded HR
- 5) Take primary responsibility for nurturing corporate-level employees
- 6) Ensure HR professional development

Embedded HR: Shared Service - work in organization units defined by geography, product line, or functions such as research and development or engineering. Relationship managers, HR business partners, or HR generalists.

They engage in and support business strategy discussion.

- They represent employee interests and implications of change.
- They define requirements to reach business goals and identify where problems may exist.
- They select and implement the HR practices that are most appropriate to the delivery of the business strategy.
- They measure and track performance to see whether the HR investments made by the business deliver the intended value.

Centres of Expertise: Specialised consulting firms inside the organization - may be corporate wide or regional.

They create service menus aligned with the capabilities driving business strategy.

- They diagnose needs and recommend services most appropriate to the situation.
- They collaborate with embedded HR professionals in selecting and implementing the right services.
 - They create new menu offerings if the current offerings are insufficient.
- They manage the menu.
 - They shepherd the learning community within the organization.

Operational Executors: Tempted to use centers of expertise and operational executors.

- One company established the role of junior business partners to be assigned to the HR generalists or business partners. These individuals would be required to turn the strategic ideas into operational practice within the business.
- Another company created a team of HR operational consultants who were assigned to a business to help turn the strategy into action. They were focused on project work with an emphasis on implementing specific projects within the business. The consulting pool had HR professionals who were gifted at making HR initiatives happen, and it secondarily served as a preparatory and testing ground for individuals slated as potential incumbents for senior embedded HR professional roles.
- Another company uses a case advisor who comes from the service center to follow through on employee requests.