

Reflections on the Shared Mode of HR Services Practice in China: A Case Study on the Cooperation between HRBP and HRCOE

Xuan Tang

Universiti Sains Malaysia
Email: tangxuan@student.usm.my

Siti Rohaida Binti Mohamed Zainal*

Universiti Sains Malaysia
Email: siti_rohaida@usm.my

** Corresponding Author*

Abstract

Purpose: With the extensive application of human resources (HR), more and more enterprises have changed the traditional model into a Shared mode of HR Services. It brought new ideas and innovative ways but also created many practical problems. This study focuses on the problem of the cooperation between Human Resource Business Partner (HRBP) and Human Resource Centre of Expert (HRCOE) and aims to solve the cooperation gap between them.

Design/methodology/approach: This study is a qualitative study that applied interviews and document reviews for data collection techniques. Interviews were conducted to select positions to gauge the process of both HR Services and HR Business Partners.

Findings: There are three themes derived from both research techniques. The three themes are lack of effective communication, lack of affiliation relationship, and lack of supervision.

Research limitations/implications: This research provides a better perspective on the practices of both HRBP and HRCOE. It is beneficial to both practitioners and knowledge perspectives and brings a new concept to the management mode of human resource organization.

Practical implications: The main implication is developing knowledge for HR practitioners. This knowledge can help develop HR services, specifically for HR Specialists in the education industry.

Originality/value: HRBP and HRCOE are among the critical practices in the shared mode of HR services. As the industry is more dynamic, this knowledge can enhance the productivity of HR and business management performance.

Keywords: Human Resource (HR), Human Resource Business Partner (HRBP), Human Resource Centre of Expert (HRCOE)

Introduction

Since Dave Ulrich (1997) proposed the three critical roles that could support the human resource (HR) system, they are HR center of expert (HRCOE), HR business partner (HRBP), and HR shared service center (HRSSC), many Chinese enterprises have tried to put forward

changes in the mode of HR organization at a strategic height, and break the traditional management of standard modules of HR. Such a change brought new ideas, motivated the enterprise's organizational development, and exposed many problems. For instance, HRBP fails to fulfill the plan formulated by HRCOE on schedule truthfully, and the plan formulated by HRCOE does not conform to the actual situation of the business unit. Problems such as this affect the effectiveness of HR and challenge the development of business organizations and work coordination. Although some scholars have noted the challenges of the Shared mode of HR Services' applications, few studies have focused on the collaboration between HRBP and HRCOE. In order to do in-depth research, we took Q Early Education Co., Ltd. of Guangdong in China as an example, used the qualitative research methods, referred to the successful practical cases of the advanced enterprise, and discussed how to promote the coordination of HRBP and HRCOE work under this model and try to find solutions.

The objectives of the research can be termed as

- To define the functions and working relationships of HRBP and HRCOE
- To explore the cause of conflict between HRBP and HRCOE
- To propose corresponding solutions

Literature review

Many Chinese and foreign scholars have conducted relevant theoretical and practical explorations on the cooperation of HRBP and HRCOE in the Shared mode of HR Services.

Sun, M. (2019, December) focused on problems in the application of HRBP and believed that most companies do not understand what HRBP is going to do, and HRBP lacks HR expertise and business knowledge. The author also found that effective communication plays an essential role in HRBP's work, but there was no mention of the pairing with HRCOE. Shi, F. (2021, August) paid attention to challenges that many companies face in applying for the HRBP role, namely the lack of employee support roles, the low quality of HRBP, and the lack of attention from management and business units. This study saw practical problems that make HRBP work ineffectively but may ignore the supporting role of HRCOE. Zhang, G.(et al.,2018) took the famous internet company Tencent as a case, standardized the functions of the Shared mode of HR Services, and introduced the work coordination between them. HRCOE develops an HR management (HRM) system, and HRBP localizes it to make it more consistent with the needs of business units. Thus promoting employee recognition and understanding of company policies breaks the HRBP's role of simply executing the HRCOE program, gives the HRBP team more flexibility and autonomy, and puts forward higher requirements for the team's expertise in HR. The author also focused on the disadvantages of their coordination: there is no clear hierarchical affiliation between HRBP and HRCOE, the former is the business of the "front line HR," and the latter plays the role of HR's nerve center. HRCOE lacks dominance of HRBP in reality, leading to many policies and solutions that are challenging to implement. Yang, L. & Chen, J. (2011) believed that there are two ways to better cooperate with the business unit. The first is to integrate into the business unit, which means HRBP should be responsible for the business unit's head and accept its assessment; the headquarters of the HR Department dispatch the second to assist the business unit leader in carrying out HR work. HRCOE stands in the "background" and is specifically responsible for making forward-looking strategies and doing research around the HRM, and also providing the program or activities design and consulting business for HRBP.

Ram Charam (2014) proposed "splitting off HR" which leads to a discussion on how HR

transformation is increasingly intense. In his opinion, the vast majority of HR managers cannot combine the specialty of HR with the needs of the business unit. They lack business knowledge and cannot achieve the compelling drive of business goals. It is also difficult to give reasonable and feasible plans to the practical problems on the business side. The concept of splitting off the HR Department is actually to transfer the work function of the department and attach them to the business units. Although such an approach will encounter practical problems such as insufficient professional knowledge, management experience, and cross-departmental communication difficulties, it informs us that the HR Department requires high coordination and cooperation with business units.

Dave Ulrich (2015) noted that HR managers must be transformed into business partners and become real business partners. They must play four roles: strategic partner, efficiency expert, employee supporter, and reformation promoter. Conclusion: there is no doubt that these four roles reflect the professionalism of HR managers and emphasize their cooperative relationship with business units. They point out that HR managers should have forward-looking and holistic thinking to promote enterprises' benign change and development.

It can be seen that both Chinese and foreign scholars have put forward professional opinions on the Shared mode of HR Services and the transformation of their departments.

Research Proposition

Based on the shortcomings mentioned in the literature review, we put forward the following research proposition.

P1: Affiliation of HRBP and HRCOE is clearer the higher the cooperative possibility.

Suppose HRBP and HRCOE can clarify the partnership, strengthen their affiliation, and break the original completely independent model in practical work. In that case, their coordination will be increased to the higher the cooperation.

Research methods

Q Early Education Co., Ltd. of Guangdong adopted the Shared mode of HR Services, and it has also encountered the problems mentioned in this paper. Therefore, please take it as an example. We used the following qualitative research method to achieve the research objective and subsequently evaluated the proposition.

Two main approaches are applied, which are aligned with the objective of this paper. The two approaches are structured interview and semi-structured interview and observation techniques. Interviews were conducted with eight core members who worked for more than two years from HRCOE and the HRBP team of Q Early Education Co., Ltd. of Guangdong. The profile of the panel interviewees is as reported below:

Table 1: Profiling of Respondent

No.	Name	Gender	Academic	Major	Work Experience
1	Mrs. Feng	Female	Bachelor	HR	She entered the company through online recruitment in 2014 and served as an HR assistant. In 2018, with implementing the three pillars of the company's HR Department, she served in an HRCOE position, mainly responsible for employee relations, with eight years of related work experience.
2	Mrs. Chen	Female	master	HR	She entered the company through online recruitment as HRCOE in 2018, mainly responsible for the recruitment and allocation, with six years of related working experience.
3	Mr. Li	Male	master	HR	He entered the company to undertake the HRCOE through internal recommendation in 2018, mainly responsible for the compensation and welfare, with six years of relevant working experience.
4	Mr. Chen	Male	Bachelor	HR	He entered the company through online recruitment in 2015. Then he was transferred to the HRCOE in 2018, and was mainly responsible for the performance appraisal section, with 12 years of relevant work experience.
5	Mr. Hu	Male	master	HR	He entered the company through internal recommendation in 2018, and was mainly responsible for talent development, with five years of working experience.
6	Mrs. Li	Female	Bachelor	HR	She entered the company for HR management through network recruitment in 2010. She was also transferred to the HRBP team manager of the HR Department in the Marketing Center in 2018, with four direct subordinates. She assisted the general manager of the marketing center in managing the business team.
7	Mr. Wang	Male	Bachelor	Administrative Management	He entered the company to conduct administrative management work through internal recommendations in 2008. He was transferred to the HRBP team manager of the Customer Service Center of the HR Department in 2018 with three direct subordinates. He assisted the general manager of the customer service center in managing the business team.
8	Mrs. Zheng	female	Bachelor	Early Education	She entered the company as an early education teacher through online recruitment in 2012. She was transferred to an HR assistant in 2014 and then became HRBP team manager of the HR Department in the Teaching Center with a direct subordinate and assisted the teaching center supervisor in managing the teaching team.

In order to ensure the smooth progress of the interview, a set of designed questions about the work collaboration between HRBP and HRCOE to understand the operational status of the Shared mode of HR Services of the Company. The interview questionnaire is as follows:

(1) In the past, have you encountered situations like policies or systems formulated by HRCOE that was challenging to implement in your business units? If there exist, please explain the main reasons for them. If not, please neglect.

(2) Did HRBP adapt the HR-related activity program, which was from HRCOE, with more tailored to the actual situation of the business unit? Did they share the feedback about it with HRCOE?

- (3) Have you ever encountered a conflict between HRBP and HRCOE? How do you usually resolve those conflicts?
- (4) Does HRBP usually communicate with HRCOE? Do you have a fixed communicative time each week?
- (5) What do you think of the current HRBP work coordination with HRCOE? If you mark it with 10 points, the higher the score, the higher the cooperation; how much do you play?
- (6) Do you have any good suggestions on the cooperation between both sides?

After communication, six employees believed that the policies formulated by HRCOE were challenging to implement at the grassroots level and at least twice saw conflicts between HRBP and HRCOE in their work. At the same time, the two lacked the necessary regular talks in their daily work. They attributed this result to the lack of direct subordination between the two, resulting in the unclear authority of the post.

Document Review

We negotiated with the HR Director on the coordination between HRBP and HRCOE, planned to launch a new task as a test, recorded the task content, task progress, and work feedback, and feel them judge whether the work coordination between HRBP and HRCOE has been improved. The information on the task review is reported in Table 2.

Table 2 Task Division and Process

No.	The Task	Task resolution	Principal	Partner	The Controller	Control the activity
1	Early visit and research	The HRCOE team visited the customer service center, marketing center, and teaching center to learn about the needs of HRBP and business units.	HR COE	HRBP & Business Unit Leader	—	understands the business unit function and its needs
2	Develop a plan	According to the visiting and survey results, HRCOE formulated an employee satisfaction survey plan according to local conditions.	HR COE	HRBP	—	—
3	Learning and improvement solutions	The HRBP team learns the plan developed by the HRCOE team and fine-tunes the content based on business unit needs.	HR BP	HR COE	HRD&HRCOE	Control the professionalism of the revised scheme to ensure the reliability and validity of the survey content
4	Execution scheme	The HRBP team execute a scheme	HR BP	Head of the business unit	HR COE	Whether the monitoring plan is effectively implemented as scheduled
5	Information feedback	HRBP gave feedback on the results and other necessary information to the HRCOE team	HR BP	—	HR COE	Whether the information is practical and timely, feedback
6	Analysis and reflection	Analyze the feedback results and other information and form reports to accumulate data reference for subsequent HR policy and management strategy adjustment	HR COE	—	HRD&HRBP	Confirm the contents of the report and provide suggestions for the subsequent adjustment of HR policies and management strategies

Findings**Lack of effective communication**

Based on the interview questionnaire, HRCOE and HRBP are independent, so they lack the chance for necessary meetings and communications. HRCOE often judges based on its own experience and lacks to enter the front line of the business unit when they carry out activities such as formulating management policies and activities plans. At the same time, they communicate with HRBP through online tools instead of necessary meetings with consultation, experience exchange, and sharing. Therefore, it is difficult to obtain business unit support for policy formulating and activity plans making leads to the wrong result of implementation.

Lack of affiliation relationship

As we assumed, HRBP affiliation is unclear, and HRCOE lacks the necessary control over HRBP. Employees engaged in HRBP positions have worked in the company for more than two years and served in the business unit for a long time. The HR Department did not carry out professional skills training for HRBP and define the reporting relationship between HRBP and HRCOE, so the former is not clear that it is necessary to be responsible for HRCOE. Comparatively, HRCOE mostly worked without their team through internal transfer and external recruitment in 2018. They usually are responsible for one module with a single. Most of them do not know the people and things in the business unit even the same as HRBP in terms of position level.

Lack of supervision

In the process of a conversation, HR Director undertakes more on HR planning, and even if HRCOE and HRBP give professional guidance in work, respectively, they pay little attention to micro problems such as the coordination of two sides. This shows that the Shared mode of HR Services are independent of each other. The working process is a "vacuum operation" and lacks a "caregiver" the necessary supervision.

Conclusion**Clarify the reporting relationship between HRCOE and HRBP.**

The HR Department has the right to hire and fire HRBPs and HRCOE. HRCOE should be identified as the senior manager level, HRBP team leader is manager level, and HRCOE team members should prioritize promotion from the HRBP team. HRBP is responsible for HRCOE, mainly reflected in the professional work of HR, and responsible for the general manager of the business unit, mainly reflected in the integration and implementation of the HR professional

work and the business unit. Both HRCOE and HRBP have the right to assess each other's performance and reflect on their improving work quality. Along with that, the HR Director and Business Unit leader should also attend to the activity of their performance assessment.

Standardize the working communication mechanism between HRCOE and HRBP.

HRBP has the right to make necessary fine-tuning of the policies and activities plan formulated by HRCOE according to the business unit characteristics and timely feedback on the amendments to HRCOE and implementation by agreement. HRCOE must reach the business unit to give HRBP the necessary guidance and assistance in implementation. At the same time, HRBP establishes a stable meeting schedule and communicates effectively with HRCOE.

HR Director plays the role of "gatekeeper."

To provide the attention, guidance, and control of the coordination between HRBP and HRCOE.

Theoretical significances

This reflection is based on the Shared mode of HR Services, combined with the problems encountered in practical work, put forward optimization suggestions for the coordination of HRBP and HRCOE. We believe this will have the following theoretical significance:

Develop and deepen the three-pillars theory of HR management

The Shared mode of HR Services emphasizes the independence and collaboration of HRBP, HRCOE, and HRSSC. However, the lack of necessary guidance for cross-field cooperation makes HRBP and HRCOE lack a specific organizational guarantee in practical work. Therefore, this reflection clarifies the affiliation and reporting relationship between them and points out that the two communications should establish stable communication channels and mechanisms to ensure smooth cross-field cooperation.

Trigger scholars to reflect and motivate the development of the Shared mode of HR Services

Management theory is a scientific summary of people's management experience, which is only accurate within a certain period instead of unchanging truth. It needs to be tested by practical activities to promote its change and improvement. The problems focused on in this paper are somewhat representative and derived from work practice. We can achieve the purpose of attracting more scholars to pay attention to its practical application in order to promote the upgrading and improvement of the theory.

Practical Significance**Provide empirical references for businesses**

As the head enterprise of early education in Guangdong Province, Q Early Education Company significantly influences the industry. The HR management problem that it faces is also a problem that other enterprises will encounter. Therefore, taking this as an example can help one enterprise achieve management optimization and bring good news to other businesses. In addition, HR management has universal characteristics to a certain extent, so the work coordination problem of HRBP and HRCOE will also bring experience and thinking to enterprises in other industries.

Help businesses reduce management costs.

As mentioned above, the poor coordination of HRBP and HRCOE will lead HR policies, management systems, and activity plans challenging to implement in business units. This situation leads to ineffective HR management, delays the development of business units, and may consume a large number of management costs for enterprises. This study focuses on practical problems, is oriented on problem-solving, optimizes and develops the shortcomings presented by the three pillars of HR management in practice, and attracts the attention of enterprise managers while solving problems.

Limitations and suggestions for future research

This paper only focuses on HRBP and HRCOE's work coordination and tries to put forward specific solutions around the organization setting and guarantee. However, it lacks overall

thinking about the three-pillars theory of HR management, such as the joint operation of HRSSC, HRBP, HRCOE, and the like.

Therefore, it is suggested that relevant scholars and experts should think about the limitations and application of the theory itself by combining the practical application problems of the three pillars of HR management and putting forward more solutions to practical problems. It can not only promote the continued development of theory but also help enterprises to solve practical problems.

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