

# The concept of HR business partner in a project-oriented organization

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## **Abstract:**

**Aim:** The paper seeks to supplement the theory of HR business partnering by presenting the concept of the role of HR business partner in project-oriented organizations. To this end, the intermediate stages of the study encompass the discussion how the role of HR department as a business partner is being formulated against other roles, and the description of the current role of HR experts in the organizations analyzed.

**Design / Research methods:** The research process employed the literature research and author's own study carried out over 2014-2015 in project-oriented organizations.

**Conclusions / findings:** The role of business partner is present in 10% of the examined enterprises, with the source of capital and the entity size being of minor importance. Projects play a key role in the development of contemporary undertakings. Moreover, the primary role in terms of the implementation of any organizational activities is exercised by people. Thus, the opportunity emerges to implement and modify the concept of HR business partnering. This will lead to a greater professionalization of staffing, which will ultimately affect positively the implementation of strategy of the organizations under discussion.

**Originality / value of the article:** The publications on project management as well as those concerned with human resources management have so far not addressed the issue of the development of the HR business partner role in the organizations under discussion. The considerations, of both theoretical and practical nature, contribute to the theory of management, being much relevant owing to the ever growing popularity of the concept of management through projects.

**Implications of the research:** project management, project-oriented organization, HR department, HR business partner

*Key words: project management, project-oriented organization, HR department, HR business partner*

JEL classification codes: M12

## 1. Introduction

The contemporary conditions in which enterprises operate may be described as changeable, unstable or downright turbulent. Competitive advantage is possible when an undertaking responds quickly to changes occurring in the surrounding environment, introducing smoothly changes to its processes and products – also in the form of innovation (see more in Drucker 1995: 65; Turner 2009: 1; Borowiecki 2010: 33). Management through projects is gaining in importance, being considered to be the method of the organization's strategy implementation through employing the project approach, which is reflected in the appointment of interdisciplinary project teams and deployment of specific tools characteristic of the project management. Enterprises employing this kind of approach are referred to as project-oriented organizations. The project-oriented organizations are not only those which derive their income from the implementation of projects for their external clients (such where projects are products), but also those which manage projects for their internal needs. Nowadays, projects are playing an enormous role even in organizations associated with a repetitive activity – e.g. mass production companies.

In the conditions outlined above individual generic functions of an enterprise are being shaped, including the staffing function defined through the prism of actions taken in relation to the present and potential employees. How this function is designed and realized is the responsibility of an organizational unit called a personnel department, staff department or HR (human resources) department.

In the scholarly literature there are different classifications of the roles of HR departments (see more in Ulrich, Brockbank 2008: 206-226; Relly, Williams 2009: 93-112). In this respect, attention is drawn to the fact that today there has been an overall shift from the strictly administrative role towards the development role and even towards the function of business partner, which is determined by the already mentioned continuous changes in the company's environment which, in turn, influence the creation of the new needs of receivers of the work performed by the HR experts. The discussions that are taking place are concerned with so called traditional organizations, that is, having stable, hierarchical structures. Here the importance of cooperation between the HR department and line managers is

highlighted. Yet, in the project-oriented organizations the central role is played by project managers.

The aim of the paper is to fill the gap in the theory of management indicated above by presenting the author's own concept of HR business partner in a project-oriented organization. Within the framework of the intermediate stages devised to realize the paper's objective, it is shown how the role of the HR department as a business partner is being "delineated" against other roles, also outlining the present role of the "experts in people" in the organizations covered by the study. The study employed the literature research and the author's own survey carried out over the period of 2014-2015 on a 100 project-oriented organizations. The project was funded by the National Center of Science (DEC-2013/09/D/HS4/00566).

### **2. HR business partner compared to other roles performed by HR departments**

The operations of the HR units target both the entities within the enterprise and those on the external labor market. On the external labor market, the HR departments provide services largely for job candidates. The internal stakeholders in terms of the operations performed under the HR function mainly include the employer (the board), line managers, bottom-level staff – and also project managers in the project-oriented organizations included in the study.

If we divide the internal clients of HR departments into three groups in terms of their expectations, the largest group will be made up of clients of the basic services (administrative), i.e. all employees. The second group encompasses persons who expect help in solving problems or expect to be provided with tools used in the implementation of the HR function (in the case analyzed that would include line managers or project managers). The third group is represented by the employer (the board) who asks about future strategy, definition and development of people's key competences, advanced HR tools (Berłowski 2004: 92-93; Piwowar-Sulej 2012:

263). It is worth noting that employers' expectations with respect to HR departments are closely linked, for example, to the situation on the labor market<sup>1</sup>

Providing basic services involves keeping social records, providing assistance in the interpretation of the provisions of the labor law and calculating salaries. The execution of these tasks is consistent with the role of the HR department as an administrator or –putting emphasis on the professionalism of operations – functional expert. The above corresponds to the first or second maturity level of the HR structures (see Figure 1).

**Figure 1. Maturity levels of HR structures.**

V/Change management	Constant improvement of work methods and employees' potential		Coaching/development of employees' personal competences	
IV/Human potential management	Management of the inventory of the company's competences	Link with the strategy and the organization's performance	Building teams	Mentoring
III/Management of competences	Employment planning	Career development/HR tools based on competences	Participatory culture	Development of competences
II/People management	staffing	Wages/work performance management	Communication	Training
I/lack of coherency of actions	Meeting the basic requirements of the labor law			

Source: The author's own study based on (Curtis, Hefler, Miller 2001: 18-28); <http://kadry.infor.pl/kadry/hrm/zarzadzanie/683074,3,Kim-jest-HR-biznes-partner.html>, [7.08.2016].

The unit under discussion can also act as a spokesman for employees or as a developer of human capital (concentrating on the development of key competences), which corresponds to the third maturity level of the HR structure. Further roles harmonize with the fourth and fifth maturity level. The literature also points to the role of a change maker, which involves active participation of the HR unit in the change management process, and the role of the HR leader, designer and implementor of tools devised to perform the HR function (see more in Sierociński,

<sup>1</sup> More on the changes on the labor market in Poland and thus transformed expectations of employers regarding HR departments see in (Piwowar-Sulej, Król-Jasińska, 2015: 305-313).

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Berłowski 2006: 16; Ulrich, Brockbank, 2008: 208-226; Pocztowski 2008: 83-88; Piwowar-Sulej 2016: 142). Moreover, the tasks within the strategic dimension the HR department performs within the HR business partner role. Although this role has many names, it is defined in a similar way, to which the information contained in Table 2 attest.

**Table 2. The HR business partner role through the optics of selected authors**

Author	Name of the role	Description of the role
M. Armstrong	Partner in business	<ul style="list-style-type: none"> <li>• to integrates one’s actions with those of the board, seeking to achieve the strategic goal</li> <li>• to address long-term issues concerned with employment and employees’ growth, using employees’ key competences</li> </ul>
D. Ulrich and W. Brockbank	Strategic partner	<ul style="list-style-type: none"> <li>• to contribute to the creation of company’s development strategy through providing knowledge on staff management, consultancy and organizational learning</li> <li>• to show experience and knowledge of a particular industry, thus helping senior managers and line managers to achieve jointly their goal</li> <li>• to help implement the strategy in such a way as to help the organization achieve its mission and vision.</li> </ul>
P. Reilly and T. Williams	Strategist	<ul style="list-style-type: none"> <li>• taking part in strategic decision-making and ensuring that employees are perceived as the enterprise’s primary resources (participation in board meetings, in committees)</li> </ul>
A. Stabryła	HR business partner	<ul style="list-style-type: none"> <li>• HR manager who knows and understands the business of his/her company , providing real support for his/her internal clients</li> </ul>

Source: The author’s own study based on (Ulrich, Brockbank 2008: 206-220; Armstrong 2007: 76-80; Reilly, Williams 2009: 93-112; Gołembski 2012: 258).

The literature highlights the fact that HR business partnering (the method of performing the HR function in that HR business partners are placed in individual business units) provides tangible support to the company in achieving its goals (Gołembski 2012: 258). It comes, then, as no surprise that large enterprises implement this measure and search for people for the job of HR Business partner. However, do the tasks performed on this job fit in with the characteristic features of the HR department role as described above?

On 16 June 2016, on the recruitment site pracuj.pl we found 41 active job offers for HR business partners. Based on the analysis of the content of those offers, the following conclusions were drawn:

- 1) In some organizations, HR business partners are just staffing experts, performing such tasks as recruitment and staff selection, training, supervision of interim evaluation process and compliance with labor law in a specific unit, providing support to line managers (in a branch office, region).
- 2) The title HR business partner is also referred to the managers of HR divisions of company's subordinate units (daughter companies, foreign subsidiaries), which are responsible for budgeting and supervising staff costs, the implementation of tools, standards and processes in line with the HR management policy adopted by the superior unit and tailored to the local market, supporting managers in the application of HR tools and standards. From such an angle, the HR business partner is not the only an "expert in people" in a specific business unit. He/she brings together the work of persons responsible for the specific HR processes.
- 3) In only five out of 41 offers there was a reference to the concept of strategy. The HR business partner was then described as a person who:
  - performs operational and strategic tasks,
  - discusses the strategy of development of organizational values, mission, business planning,
  - is responsible for the implementation of business strategy within the scope of HR management in a daughter company,
  - supports managers in building the engagement of staff in the implementation of the organization's strategy,
  - co-creates, communicates and pursues the HR strategy of a business unit in line with the overall strategy of the organization.

In summing up the issues addressed above, the conclusion is that there is no uniformity in defining the role of HR business partner in economic units. People who are hired for this job can, in practice, perform tasks which are assigned rather to a functional expert or HR leader. The author's past experience of the discrepancies between science and practice in terms of how the numerous issues relating to the discipline of HR management are being defined induced her – while conducting her

own research – to inform respondents unambiguously what the individual roles of the HR departments involve.

### **3. The role of personnel department in project-oriented organizations – the author's own findings based on research**

In the empirical studies carried out between 2014 and 2015, which employed structured and unstructured interviews conducted together with project team members and employees of the HR units<sup>2</sup>, respondents were asked to describe the current and desired role of personnel departments in the project-oriented organizations. In light of the fact that there exist no objective registers identifying the entire population of project-oriented organizations, which would allow drawing a representative sample, purposeful sampling was used. In conducting the survey and analyses, the author cooperated with the Research and Analysis Center at University of Economics in Katowice. Enterprises were examined having sustainable organization units – including HR department – and interdisciplinary project teams, and where positions or functions of a project manager have been established, and tools employed which are characteristic for the project management field. The sample encompassed 100 organizations, of which 80 were medium and 20 big sized. 85 sampling units were made up of Polish enterprises, and the other 15 of foreign-invested companies.

The role that is most frequently performed by the HR units of the surveyed organizations – according to the project team members – is the HR leader, which makes up 44% of sampling units. Considering the breakdown of the organizations by size or source of capital, the conclusion to be made is that the HR leader role is present in 67% of foreign-invested companies and in 50% of big organizations. Detailed findings are demonstrated in Table 3.

In the Polish organizations, the HR department performs the role of an administrator or change maker more frequently than in foreign-invested companies.

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<sup>2</sup> More on the methodological aspects of the studies see Piwowar-Sulej (2016: 92-98).

Similar differences occur between medium and big companies. The role of business partner which concerns us here occurs in 10% of surveyed enterprises, with the source of capital or the enterprise size being of minor importance.

Moreover, the information obtained in the course of the interviews was that the role of the HR department in the organization under study was similar to that performed by this unit in the superior enterprise (if there are multi-level business structures). In 10% of organizations (only foreign entities, the size of the enterprise being of no relevance) the role of the HR department corresponds to that in the superior company. 36% of surveyed entities is independent from their parent company in terms of staffing policy (of which 29 medium and 7 big companies, 31 Polish and 5 foreign companies).

**Table 3. The role of HR departments in project-oriented organizations – empirical study findings**

Dominant role of HR department	Total N = 100 (100%)	Polish organization N=85 (100%)	foreign organizations N=15 (100%)	medium- sized enterprises N=80 (100%)	Big enterprises N=20 (100%)
Functional expert	26 (26%)	24 (28%)	2 (13%)	22 (28%)	4 (20%)
Change maker	15 (15%)	14 (16%)	1 (7%)	13 (16%)	2 (10%)
Spokesman for employees	5 (5%)	5 (6%)	0 (0%)	3 (4%)	2 (10%)
HR leader	44 (44%)	34 (40%)	10 (67%)	34 (43%)	10 (50%)
HR business partner	10 (10%)	8 (9%)	2 (13%)	8 (10%)	2 (10%)

Source: The author's own study.

Unstructured interviews provided additional information on the way respondents assigned a specific role to the HR departments. Respondents were guided by the insights in connection with the solutions introduced by HR experts for the sustainable structures of the enterprise. The HR departments implement tools designed to perform the HR function, including devising procedures which must be observed by the managers of functional units. That projects are being implemented in the organization is most frequently reflected in the remuneration regulations

developed by the HR department managers. As far as the participation of HR department employees in projects is concerned, it confines itself to assistance predominantly in the implementation of training for team members.

Although – as indicated before – the HR business partner is the most developed role that a HR department can perform, one cannot state categorically that, for example, HR leader or change maker represent lesser roles. Critical assessment should be preceded by an in-depth analysis of the situation of a given economic operator, including its stage of development, market position, changes implemented (their number, strategic relevance), forms of staff employment (or how popular it is to use outsourcing), organizational culture, etc. The evolution of the HR department position towards business partner requires changes in the employers' consciousness and employees themselves of the HR units in terms of the advantages arising from deploying a strategic approach to people management.

Management through projects as a method for the implementation of the enterprise's strategy triggers changes in the organization structure (temporary teams, new roles/positions such as, e.g. project manager, contractor carrying out work in the project, project office employee), affecting the nature of work (temporary participation in a team, variability of tasks/roles, employees being doubly subordinated). The implementation of this method of strategy in an organization with a stable structure, where employees are used to perform constant, planned or even routine work can have negative psycho-social implications. Furthermore, the HR function comprises all actions taken with respect to employees conducting work within a sustainable structure of the enterprise, as well as actions addressed to project team members. It is key that the "two-way" architecture of the HR function stays cohesive internally. In such circumstances the role of the HR business partner gains in particular importance.

#### **4. HR business partner as the solution proposed in the examined organizations**

In line with the scientific characteristics of HR business partner outlined earlier in the paper, the personnel department should provide assistance in the strategy

implementation (implementation of management through projects) in such a way as to help the organization achieve its mission and vision. The specific tasks of the HR unit at the stage of implementing management through projects encompass the following (cf. Piwowar-Sulej 2016: 189-190):

- providing the board with information on employees' project competences and characteristic features of organizational culture (in the breakdown by factors stimulating the management through projects positively and negatively),
- reviewing and possibly modifying the HR strategy,
- estimating possible costs and time needed to ensure that the organization has competent people for project work (e.g. external recruitment of project managers or employees training),
- tailoring the tools of the HR function performance to the specificity of management through projects and creating transparent regulations pertaining to project works (e.g. the rules for granting premiums for project participation depending on the project category),
- determining, together with other decision-makers, i.e. at least with the board, functional unit managers and project managers, the allocation of powers with respect to people management,
- paying close attention to internal communication (a campaign on the idea itself of management through projects and the rules devised on project participation, the method of evaluation and granting of premiums for such work, participation in project management training etc.),
- assistance in providing solutions to social problems.

The main task of the HR business partner at the stage of sustaining and developing the management through projects is to monitor the cohesiveness of the "two-way" personnel function (i.e. actions directed at employees working within the company's sustainable structure and actions addressing project team members), to examine employees' sentiments regarding the implementation of management through projects and to raise employees' project consciousness and thus building "project" organizational culture.

The role of personnel department as HR business partner in project-oriented organizations was outlined above. It is also possible to use HR business partnering,

as already defined in the paper, in the entities under discussion. Persons in the position of HR business partner are usually situated in individual business units such as branches, regions, daughter companies. In the project-oriented organizations it is possible to “deploy” the employee of the personnel department as a business partner in a particular project – treated as a micro-organization. Such person’s task would be to ensure that the HR practices are consistent in all the organization through his/her support of the project manager.

It is worth emphasizing that performing the role of HR business partner requires from the employees of personnel units high competences. According to the findings of the think tank Corporate Executive Board © 2008, the theoretical knowledge acquired at university can at best be helpful while performing this role, but it is not sufficient – its impact on the employee’s effectiveness is at 5%. The key here are specific competences covering the borderline areas of business, HR and controlling (66%), and some experience too (24%) (<http://kadry.infor.pl/kadry/hrm/zarzadzanie/683074,Kim-jest-HR-biznes-partner.html> [7.08.2016]). In the case in question it is about combining the knowledge of project management (including teams) with the knowledge in terms of personnel function performance.

This clearly shows that it is worth developing project competences among HR experts which are understood as a set of characteristics of a given person conducive to an efficient and effective project implementation. Many of these competences can be found in the general classification of the human potential characteristics required by the contemporary labor market (see more in Piwowar-Sulej 2015: 41-51). Gaining practical experience is becoming immensely important and that implies participation in projects before taking the role of HR business partner. It is about being engaged in the HR projects actively, as well as participating in other projects that are being realized in the enterprise – even if it is just as an observer at first.

## 5. Conclusion

The HR function is present in every enterprise. The differences in the way this function is performed – including the role assigned to HR units – are determined most strongly by the beliefs of people who manage the organization. On the market there are still many entities where HR departments deal solely with personnel and wages matters. The role of HR business partner is considered to be the most developed role of the units examined. Although this role has been described in detail in academic literature, there are discrepancies in its definition in the enterprises' practice.

The objective factor influencing the changes in the structure of the personnel function (being of a two-way structure) is with no doubt the implementation of management through project as a method to realize the enterprise's strategy. It is believed that in such conditions the HR department should be close to business, which, in the case discussed in the paper, implies being "close to projects". This provided a basis for devising a list of actions a HR unit should undertake in project-oriented organizations. The paper also demonstrated how HR business partnering can be applied in practice in the organizations analyzed.

Considering that the idea of management through projects is becoming increasingly popular, it is to be hoped that the concept of the HR department role illustrated in the paper will find its reflection in practice, which would certainly influence the professionalization of the way the personnel function is being performed.

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## **Rola HR biznes partnera w organizacji zorientowanej na projekty**

### **Streszczenie**

**Cel:** Celem artykułu jest uzupełnienie teorii HR biznes partneringu poprzez zaprezentowanie koncepcji roli HR biznes partnera w organizacjach zorientowanych na projekty. Etapami pośrednimi służącymi realizacji tego celu było omówienie, jak na tle innych ról kształtuje się rola działu personalnego jako partnera biznesu oraz określenie obecnej roli specjalistów HR w analizowanych organizacjach.

**Metoda badawcza:** W procesie badawczym posiłkowano się studiami literaturowymi oraz badaniami własnymi, przeprowadzonymi w latach 2014-2015 w 100 organizacjach zorientowanych na projekty.

**Wnioski:** Rola partnera biznesowego występuje w 10% badanych przedsiębiorstwach, przy czym nie ma istotnego znaczenia źródło pochodzenia kapitału oraz wielkość podmiotu. Projekty mają kluczowe znaczenie dla rozwoju współczesnych przedsiębiorstw. Jednocześnie główną rolę w realizacji wszelkich aktywności organizacyjnych pełnią ludzie. Tym samym pojawia się możliwość implementacji i modyfikacji koncepcji HR biznes partneringu. Dzięki temu zwiększy się stopień profesjonalizacji funkcji personalnej, co z kolei dodatnio wpłynie na realizację strategii analizowanych organizacji.

**Oryginalność / wartość artykułu, wkład w rozwój nauki:** W publikacjach z zakresu zarządzania projektami, jak i w pozycjach poświęconych zarządzaniu zasobami ludzkimi nie podejmowano dotąd problemu kształtowania roli HR biznes partnera w analizowanych organizacjach. Podjęte rozważania o charakterze zarówno teoretycznym, jak i aplikacyjnym stanowią wkład do teorii zarządzania, mając istotne znaczenie z uwagi na rosnącą popularność idei zarządzania przez projekty.

**Słowa kluczowe:** zarządzanie projektami, organizacja zorientowana na projekty, dział HR, HR biznes partner

**JEL:** M12