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Organizing the HRM Function:

Responses to Paradoxes, Variety and Dynamism

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Abstract

We develop empirically based insights from five case studies and argue that how actors respond

to paradoxical tensions helps to explain variety and dynamism in how the HRM function is

organized. It also helps to clarify why widely popular models with clearly prescribed structures

take on a variety of forms in practice and are dynamic. We contribute to theorizing on the HRM

function by introducing a dynamic, tension-centered perspective, based on paradox theory that

builds on previous research on the organization of the HRM function and the challenges facing

HRM practitioners working within any particular model to organize HRM work. We discuss the

limitations of our study, as well as offering suggestions for future research and practical

implications from paradox theory for HRM practitioners dealing with tensions in their work.

Keywords: Paradox, tensions, responses, variety, dynamism, HRM, organization.

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Introduction

In this paper, we introduce insights from paradox theory to understand variety and dynamism in the organization of the HRM function. Previous work, for example from institutional and contingency theories, has explored similarities and differences in the HRM function in different contexts (e.g. Farndale & Paauwe, 2007; Boglind, Hällstén & Thilander, 2011). Support for one-to-one relationships between the forms of organizing adopted, and the national, cultural or institutional context, has been mixed (Brandl, Ehnert & Bos-Nehles, 2012). Scholars addressing the uptake of HRM models, especially the Ulrich-inspired three-legged model, have found that when adopted, they are often adapted in various ways in practice (Boglind et al., 2011). Theoretical contributions explaining the variety in how HRM is organized in similar contexts and why models, when adopted, are often in transition from one form to another, are currently lacking (Farndale, Paauwe, Morris, Stahl, Stiles, Trevor & Wright, 2010).

Our aim in this paper is to introduce insights from paradox theory to understand variety and dynamism in the organizing of the HRM function (Smith & Lewis, 2011; Lewis, 2000; Fairhurst, Smith, Banghart, Lewis, Putnam, Raisch & Schad, 2016; Miron-Spektor, Ingram, Keller, Smith & Lewis, 2017). Paradox theory sees organizations as inherently dynamic (Putnam, Fairhurst & Banghart, 2016), focusing on the various tensions that actors experience, and how they make sense of or enact these, in order to cope with the contradictory elements in their environment (Smith & Lewis, 2011). With few exceptions (e.g. Kozica & Brandl, 2015), little empirical research using paradox theory has been conducted in the field of HRM generally, or the HRM function specifically. We explore five case studies on HRM functions and their organization using paradox theory insights. We make a contribution beyond previous work connecting paradox theory and the HRM function which, until now, has been mainly conceptual in nature (Gerpott, 2015).

The paper is structured as follows. We review the literature on key models and theories associated with the HRM function and how it is organized and describe their contributions and limitations. We then introduce paradox theory as our main theoretical frame of reference. We describe the study we carried out in five Dutch companies and present our findings. We discuss the theoretical and practical implications of our empirical findings for how we understand variety and dynamism in the HRM function and how it is configured, and the uptake of particular models. We discuss the strengths and limitations of our study and conclude with suggestions for future research.

Key models of HRM function organization

From Drucker's (1961, p. 269) seminal comment that personnel work is a "hodge-podge of incidental techniques", the organization of the HRM function is of interest to both scholars and practitioners. The principle that HRM work is characterized by different – and at times contradictory – elements, has become central in conceptual models of the HRM function. These elements include strategy versus operations/tactics, managing change versus managing continuity, intervention versus non-intervention, and people versus process. Tyson and Fell's (1986) role-oriented model highlights the elements of strategy, operations, and the management of labor relations as central to the work of HRM practitioners. Storey's (1992) research-based model of advisors, changemakers, regulators, and handmaidens stresses the bi-polar elements of strategy versus tactics as well as a change role differentiated by an intervention/non-intervention focus. Ulrich's (1997; 1998) prescriptive model identifies strategic partners, change agents, employee champions, and administrative experts. These roles are concerned with elements ranging from the strategic to the day-to-day, and from a people focus to a process focus. Whether and how the roles

should be carried out simultaneously, has raised concerns regarding role conflict and ambiguity for HR practitioners working with these models (Pohler & Willness, 2014; Caldwell, 2003).

In perhaps the most popular model of the organization of the HRM function to emerge to date, HRM activities are structurally split into three sub-units, typically a Shared Service Center (SSC), Centers of Expertise/Excellence (COE), and a Business Partner (BP) unit (Reilly, Tamkin & Broughton, 2007; Boglind et al., 2011). This model – often referred to as the three-legged stool model and widely associated with the original work of Ulrich (1997) – identifies sub-units that differentiate administrative execution, policy-making and strategic HRM tasks. The purpose of the stool's three legs is to enable the HRM function to cope effectively with the requirement for both strategic *and* operational tasks, and to enable a more strategic role for HRM practitioners (Ulrich, 1997; Reilly et al., 2007).

Splitting the function into three distinct sub-units should allow HRM practitioners to focus on customer intimacy towards the business (BP Unit), quality and innovation in policy development (COEs), and operational excellence regarding administrative and operational tasks (SSCs). According to the model, the HRM function should be structured to ensure a strategic role is possible by differentiating administrative tasks from strategic tasks. Administrative tasks are often captured in SSCs which are in- or out-sourced, as well as devolved to line managers and employees. HRM specialists should, according to the Ulrich model (1997; 1998) become strategic partners to the business, focusing primarily on the contribution of HRM to organizational goals (Gerpott, 2015).

The model has been described in a recent expert review as "almost ubiquitous" (Marchington, 2015) with empirical research suggesting its widespread adoption in practice

(Boglind et al., 2011; Reilly et al., 2007; Robinson, 2006). Gerpott (2015) cites evidence that over 90% of the companies listed on the German Stock exchange (DAX30) have implemented an Ulrich-inspired "three-legged stool" and similar trends can be recognized in the U.K. (Reilly et al., 2007) and the Netherlands (Farndale, Pauwe & Hoeksema, 2009). The Ulrich-inspired template is also frequently mentioned in practitioner and consulting literature (Hay Group, 2013; CIPD 2013).

Such models, including the Ulrich-inspired model, "see" the organization of the HRM function in somewhat static terms whereby adopting a particular structure, or set of roles, solves HRM problems such as lack of strategic focus. Empirical evidence, however, suggests significant variety between organizations in the precise scope, structuring, governance and output of the HRM function (Boglind et al., 2011). For example, it is not clear what activities exactly belong to the three legs of the Ulrich-inspired stool (Farndale & Paauwe, 2007). Benchmarking by professional service firms reveals high variance in the distribution of activities where centers of expertise (e.g. compensation & benefits; learning & development) are sometimes part of the shared service organization whilst in other organizations they are part of the (strategic) corporate center (Van Dam, Van der Spek & Sylva, 2013). Teo and Rodwell (2007) argue that splitting HRM strategy from operational execution may weaken rather than enhance the reputation of HRM practitioners with their stakeholders, as the strategic value of HR practitioners (from a line manager's perspective) is built on HRM practitioners being operationally focused. Tensions between strategy/operations continue to persist despite the adoption of particular models (Caldwell, 2003), and variety exists in how models like the three-legged stool model are adopted, adapted and altered in the process of their implementation (Boglind et al., 2011; Farndale & Paauwe, 2007). To explore why this is the case and what it means, we turn to existing theories that have been used to explain the organization of the HRM function.

Key Theories of HRM Function Organization

Findings from a recent comprehensive review of how the HRM function is organized in different contexts by Brandl et al. (2012) suggests key insights. The authors find mixed empirical evidence from a wide range of studies drawing on institutional, contingency and cultural theories on the organization of the HRM function. Studies in the contingency tradition (e.g. Schuler & Jackson, 1987) indicate limited support for one-to-one linkages between HRM strategy type and the form in which HRM activities are organized. Farndale and colleagues (2010) mobilize contingency theory in a study of the corporate HR function and its role in coordinating international HRM policies and practices. Their data also reveals mixed outcomes. On the one hand they find "initial empirical evidence of contextually based configurations of corporate HR functions" while they also find evidence that "many of the companies here are in transition and as such suggest considering a more dynamic approach to classifying MNCs by IHRM structure" (Farndale et al., 2010, p. 63). Citing evidence from empirical studies in the institutional theory tradition, Brandl and colleagues (2012, p. 257) found in some studies that "national institutional factors play a minor role for the HRM department roles" (Wächter et al., 2006), while in other studies empirical results did affirm "the relevance of the national regulatory context for HRM department size." Finally, the few studies drawing on cultural theory are also inconclusive regarding the configuration of the HRM function in different national contexts (Brandl et al., 2012).

These theoretically informed studies provide valuable insights on possible influences from the external environment regarding the organization of the HRM function. However, they also indicate gaps in our current understanding of this issue. In order to contribute to this debate, we draw on paradox theory to question the root assumptions underlying prescriptive models of organizing HRM and offer a novel explanation for the variety and dynamism in the organization of the HRM function.

Paradox theory

Against a backdrop where contemporary organizations face multiple tensions in global, fast-paced environments, theoretical perspectives that highlight "the fundamental importance and pervasive nature of paradox and contradiction in organizational life" (Briscoe, 2016, p. 1), are on the rise. Paradox is defined as "interrelated elements that seem consistent in isolation but incompatible or contradictory in conjunction such as differentiation and integration or exploitation and exploration (Andriopoulos & Lewis, 2009; Smith, 2014)" (Jarzabkowski & Le, 2017, p. 434; see also Smith & Lewis, 2011, p. 381).

Paradox theory is now applied to study a range of organizational settings and levels of analysis. Cunha and colleagues (2016) see value in applying paradox theory to study how organizations cope with contradictory institutional logics (e.g. the logic of the family versus the logic of the business in the case of family firms or the logic of service to the public versus the logic of budgetary discipline in the case of schools, hospitals and police organizations). Other paradoxical elements studied include contradictory yet interrelated management goals, competitive strategies and leadership approaches (Lüscher & Lewis, 2008; Smith & Tushman, 2005; Kark, Karazi-Presler & Tubi, 2016).

To understand why paradoxes are sometimes not well managed, scholars have examined the effects that paradoxical tensions have on actors confronted by them. These tensions are defined by Putnam et al. (2016, p. 69) as "[s]tress, anxiety, discomfort, or tightness in making choices, responding to, and moving forward in organizational situations." Fairhurst, Cooren and Cahill (2002, p. 506) view paradoxical tensions as tensions that arise from "the clash of ideas, principles,

and actions as well as any subsequent feelings of discomfort." Paradoxical tensions arise with efforts by organizations and their members to be both exploratory *and* exploitative in terms of innovation (Tushman & Romanelli, 1985), to pursue both market *and* community-based institutional logics (Smets, Jarzabkowski, Burke & Spee, 2015), and to be able to yield the advantages of centralized *and* decentralized organizational structures (Siggelkow & Levinthal, 2003).

While the core message of contingency theory is to choose between elements and attain optimal fit to *avoid* conflict and reduce tensions, (Burns & Stalker, 1961; Lawrence & Lorsch, 1967), "paradox studies adopt an alternative approach to tensions, exploring how organizations can attend to competing demands simultaneously" (Smith & Lewis, 2011, p. 381). Paradox theorists argue that responses to paradox can fuel reinforcing cycles that can be positive or negative (Lewis, 2000; Smith & Lewis, 2011). When actors employ defensive approaches to paradoxical tensions, such as repression, splitting, denial or overemphasizing one element over the other, the underlying confrontation of elements is not resolved, causing organizational decline.

For instance, in a study focusing on collaboration-control tensions, Sundaramurthy and Lewis (2003) find that governance structures overemphasizing control are characterized by higher levels of distrust, leading to defensive attitudes and 'turf wars', causing even more reliance on control mechanisms and spurring a cycle of organizational decline. On the other hand, overemphasizing collaboration can lead to groupthink where strategies and ideas are no longer put under sufficient scrutiny, again leading to a cycle of decline, especially in times of deteriorating organizational performance. Actors often resort to defensive strategies since dealing with contradiction spurs confusion and anxiety (Smith & Berg, 1987) and actors have a preference for consistency in their beliefs (Vince & Broussine, 1996).

Positive or virtuous cycles occur when actors employ overarching strategies of acceptance and resolution, approaching paradoxical tensions with creativity resulting in sustainable outcomes. For example, Smith and Lewis (2011) describe how iterating between responses of splitting opposing elements *and* integration leads to synergies based on accommodating both opposing poles. Actors adopting resolution strategies require certain cognitive, emotional and behavioral capabilities to be comfortable with the inconsistencies and confusion paradoxical tensions trigger. Lüscher and Lewis (2008), for instance, drew on action research to show that managers at LEGO went through various stages of sensemaking to 'work through' paradox and transition from what was initially seen by managers as a 'mess' to something that was framed as a 'workable certainty.' Paradox perspectives build on studies of competing values (Cameron & Quinn, 1988), ambidexterity (Gibson & Birkenshaw, 2004) and dualities (Evans, 1999). These studies are tension-centered, assuming tensions between certain organizational, managerial and leadership elements are inherent as well as inevitable.

When actors respond to paradoxical tensions, it can influence outcomes at different levels (Jarzabkowski, Lê & Van de Ven, 2013; Smith & Lewis, 2011). This can include impacts on the levels of sub-unit structure, task structure, co-ordination mechanisms, individual training, and leadership development. Subsequent understandings of paradoxical demands within the organization are, in turn, influenced by these (preceding) actions and their outcomes. Consequently, new paradoxes can emerge, prompting further enactment and new heuristics which are then applied to deal with the subsequent challenges. Paradoxes, and responses to them, are therefore inter-related and co-evolve dynamically over time and at different levels (Jarzabkowski et al., 2013).

In their framework, Smith and Lewis (2011) distinguish between paradoxes that occur at the organizational level (organizing paradoxes), group level (paradoxes of belonging) and the individual level (paradoxes of performance and learning). Scholars also integrate levels by focusing on both individual responses *as well as* structural aspects of paradox (Schad, Lewis, Raisch & Smith, 2016). They examine tensions that individuals experience due to the juxtaposition of contradictory, interrelated elements, which can be structural and organizational in nature, and try to understand how actors make sense of and respond to such tensions in, for example, cognitive or emotional ways. This explicit focus on both individual agency in response to paradoxes, and paradoxes emanating from institutional pressures or organizational structures, is now common in paradox studies. It is also beginning to inform institutional theory (Smets et al., 2016; Kozica & Brandl, 2015).

To make things more concrete, we offer insights from the literature on managing tensions between differentiation and integration, giving examples of empirical research in the area that utilizes a paradox perspective. Lawrence and Lorsch's seminal study (1967) explored the degree of differentiation and integration of organizations' subsystems in different firms. They argued that "other things being equal, differentiation and integration are essentially antagonistic, and that one can be obtained *only at the expense of the other*" (1967, p. 47, emphasis added). Organizational differentiation entails splitting the organization into sub-systems (e.g. production, marketing), each of which develops different attributes including structures, behaviors, foci, mindsets, and approaches attuned to its specific environment. Integration achieves the opposite – adopting a common mindset and identity, achieving "unity of effort" among the various sub-systems (Lawrence & Lorsch, 1967). In advancing a paradox lens, Smith and Lewis (2011) challenge the assumption that focusing on one element of a paradox can only be achieved at the expense of the

other – an either/or logic – as it undermines long-term organizational performance and individual capacities for approaching tensions proactively. They propose a dynamic equilibrium model where paradoxical tensions between antagonistic elements are embraced in the long term while in the short term experimental ways of working through tensions between elements like differentiation/integration are explored.

For example, Andriopoulos and Lewis (2009) found that new product design firms consciously use both differentiation and integration practices to support innovation, as such cultivating a long-term paradoxical vision to promote integration as an overarching aim while simultaneously differentiating product lines in the short-term to focus on specific needs. Smets et al.'s (2015) study on reinsurance traders, documents tensions between different institutional logics (market/community) and describes the segmentation of space, time and practices, to address each pole of the paradox while simultaneously creating overarching spaces for joint problem-solving over time. While both/and strategies appear challenging and can lead to practical and emotional struggles (Miron-Spektor et al., 2017; Lüscher, Lewis & Ingram, 2008), either/or strategies that involve splitting and segmenting different elements structurally can lead to difficulties including "failure traps" (Gupta et al., 2006) when actors gravitate towards only one pole, developing fixed mindsets, resulting in their ignoring or downplaying the other pole (Gibson & Birkenshaw, 2004).

Summarizing, the paradox lens sees organizations in terms of ongoing and persistent tensions and holds that organizations and individual actors must dynamically respond to tensions in a proactive manner (Cameron & Quinn, 1988; Poole & Van de Ven, 1989). Paradox scholars believe organizations can thrive when individuals leverage paradoxes by findings ways to respond to contradictory elements, acknowledging their opposition as well as their simultaneity (Andriopolous & Lewis, 2009). Particular organizational models or structures premised on optimal

fit with the environment (Schuler & Jackson, 1987) at the cost of other interdependent foci (Jarzabkowski et al., 2013), are seen as vulnerable to vicious cycles (Putnam et al., 2016), as the root challenges of paradoxical tensions are not addressed by organizational members. A paradox lens sees organizations and their structures in terms of both the enactment of tensions and the responses of actors to those tensions over time. A paradox lens, therefore, offers an inherently dynamic perspective on organizing and helps explain why structures enacted to respond to tensions are more likely to be varying and in transition rather than constant, or rather dynamic than stable.

Paradox theory and HRM

Paradox theory is not widely mobilized in HRM theorizing to date (for exceptions see Aust, Brandl & Keegan, 2015; Kozica & Brandl, 2015; Gerpott, 2015; Brandl et al., 2012; Ehnert, 2009). Brandl et al. (2012) propose that it offers potentially new and valuable insights to the organization of HRM activities that theories such as institutional and contingency theory have not yet fully done. Compared to contingency theory, which suggests organizations need to align their HRM structures to particular contexts (e.g. institutional, cultural, competitive), paradox theory holds that organizations should accept the coexistence of contradictions (Brandl et al., 2012). Evidence suggests that HRM actors face multiple, often contradictory demands. Gubbins and Garavan (2016, p. 241) cite "inherent functional and relationship tensions" when describing HR professionals' roles, while Roche and Teague (2012) report that HR practitioners in their study experience tensions and contradictions while being resigned to having to sustain multiple professional identities.

The theoretical underpinnings of the widely adopted three-legged stool model are open to questioning in that although they appear to acknowledge that HR work is characterized by different

elements, the model's response to these tensions appears as mainly static. Different dimensions are split, with associated knowledge and skills differentiated into separate units. How these differentiated units are then integrated, or whether the model aims for both/and approaches at the same time, is ambiguous (Caldwell, 2003). Gerpott (2015) challenges the premise of the Ulrich-inspired model on the basis that the view of HRM tensions offered is a static view. The model is premised on the idea of splitting various HRM elements (strategy/operations HRM focus; day-to-day/long-term strategic HRM focus) (Gerpott, 2015) while Ulrich's (1997; 1998) original texts do not address the tensions arising from splitting up these elements (see Caldwell, 2003). While the splitting of HRM dimensions or elements into differentiated sub-units has become somewhat of a mantra in practitioner versions of the model (Hay Group, 2013) in order to move towards a more "value creating function" (Ulrich, Younger & Brockbank, 2008, p. 829), Gerpott holds that tensions are not adequately addressed if the elements are split (Gerpott, 2015).

Apart from a focus on operations/a focus on strategy, other elements in HRM practice that can be viewed as interdependent, simultaneous and persistent elements include demands for centralization/decentralization in MNC headquarters and subsidiary employment management (Evans, 1999). A focus on employee well-being/a focus on employee performance is also an enduring feature of HRM practice (De Cieri, Holmes, Abbott & Pettit, 2005; Pohler & Willness, 2014; Ehrnrooth & Björkman, 2012; Roche & Teague, 2012) as is the much-discussed soft/hard HRM duality (Legge, 1995). We propose that the focus on tensions and actors' responses to these, which are central in paradox theory, is a valuable new focus for studies on the HRM function and how it is organized, also over time. The aim of this study is to explore tensions in HRM and whether different responses by actors to these tensions might explain variety and dynamism in how HRM is organized. Our research question is:

Do responses to HRM tensions explain variety and dynamism in the organization of the HRM function, and if so, what are these tensions and how can the responses be characterized?

The Case Studies

Given the lack of studies on paradoxical HRM tensions and responses, and how these influence the organization of the HRM function, we decided to carry out exploratory case studies (Yin, 2003). We looked for organizations likely to have a formal HRM function acknowledging that many – especially small organizations – do not (Paauwe, 1996). We also looked for different industries/sectors so we could explore influences rooted in industry/sector differences. In the end, five suitable organizations agreed to an open, exploratory research collaboration. Our main source of data is derived from in-depth interviews with different stakeholders of the HRM function. To approach the HR organization from multiple perspectives, formal recorded interviews (36) and informal conversations (4) were held with (senior) HR practitioners, HR Business Partners, HR specialists, HR members of SSCs, and line managers. The formal recorded interviews were held at one point in time with each separate participant. Four follow-up conversations were also held. To give a specific example of the latter, a follow-up discussion was held with a Senior HR manager at OilCo after the initial interview. The aim was to clarify details regarding the new configuration of the HRM function following splitting at T1 which was described by the respondent during a formal interview. See table 1 for details of companies and interview participants. Including different perspectives allowed us to triangulate the descriptions of the HR organization, tensions, responses, and their influence on the structuring of the HR organization, and therefore to enhance the internal validity of our results (Miles & Huberman, 1994).

Data analysis

The interviews were carried out by the first two authors, recorded and transcribed verbatim, and analyzed using NVivo10. The interviews were semi-structured around several key themes. Using Eisenhardt's (1989) approach to theorizing from case-based data, we coded the data looking for common and divergent descriptions of the history and organization of the HRM function – within and between the companies – and the tensions and responses described by the interviewees. There were four main steps in the data analysis. In the first step, we discussed overall case summaries by analyzing the primary data from all interviewees in the same company and the supporting data from company websites and documentation on the HRM function. We coded all utterances relating to events, decisions, milestones and developments in the structuring of the function, and organizational outcomes such as units, roles, and structures. We also coded each interview for tensions and paradoxes associated with the HRM function and its organization. We moved iteratively between each interview (intra-company case analysis) to develop an overall picture of how the HRM function was organized per case. We also compared interview data on key themes across the cases (inter-case analysis) and at different levels (e.g. HR Business Partners, HR SSC employees, etc.).

We used inductive codes derived from extant research on organizing the HRM function and HRM models (e.g. strategy, operations, SSCs, business partners, HR units, departments, functions, etc.), as well as codes from existing paradox theory including Smith and Lewis's (2011) discussion of paradoxes (organizing, performing, etc.) and responses (e.g. splitting). As we

identified emerging overarching themes, we explored these in detail for the whole dataset iterating between the data and the (sub)themes. We discussed and refined these throughout the analysis as different aspects of the (sub)themes emerged. We also developed new in-vivo or inductive codes to identify emerging insights including co-evolving paradoxes and the responses of actors to tensions between paradoxical HRM elements not previously discussed in the literature (e.g. we created codes for "creating space for business partners" and "stuckness"). Following Guest, Bunce and Johnson (2006), we monitored the saturation of our codes, noting when repeated analysis of each interview revealed no new codes or aspects of codes related to our themes.

The data must also be interpreted in light of the following limitations. We interviewed a sample of the people in our case organizations working in and with the HRM function. We cannot exclude that a different set of interview participants would not yield different (sub)themes. We do not claim that the themes we identified exhaust all possible themes on HRM organization, tensions, and responses. Having said that, we have endeavored to maximize the internal validity of our coding template by including perspectives from HRM practitioners at different levels of the organization. We also systematically developed research memos per case company to surface and critically test themes by checking for support in the interview data within and between the case companies. Finally, we used member checks to enhance the internal validity of the study (Guba & Lincoln, 1981) by sending preliminary reports of our findings to interviewees to check for veracity and to allow for our interview participants to give feedback. We also acknowledge the limitations of exploratory case studies in terms of the generalizability of the findings to other organizations or a broader population, which we cannot claim for this study and at best offer insights that could be pursued using other more suitable methods regarding generalizable findings.

The findings

The data suggests that those working in HRM do confront tensions which can be seen as paradoxical given that the elements are characterized by interdependencies and also contradictions, at the same time. Table 2 presents examples of two types of paradoxical HRM tensions that actors make sense of, and develop responses for, in their daily work.

[Insert Table 2 about here]

The first tension that was often discussed is the Strategy/Operations tension. Interviewees expressed the need to focus on strategy, which was mostly associated with the role of HR in overall business strategy realization. But they also stressed the need to focus on operations, in terms of having smooth operational processes with small error margins and supporting line management with daily issues and ad hoc requests. Appreciation for the difficulties of combining these in one function is expressed by both HR interviewees and also stakeholders such as line managers. For example, one line manager sees these "elements" and the struggle to accommodate both:

"One part is very strategic and macro-ey, the other part is just very operational, focused on targets and fast and cheap service delivery. The other side is much more about relations, consultancy and being a strategic business partner. These two worlds don't easily see eye-to-eye." (Line Manager, UtilityCo)

Within HR, there is also an appreciation for tensions between these elements and for their interdependence in the sense that achieving HR outcomes at a strategy level is seen to require an operational focus or sensitivity at the same time:

"If you decide on the strategy... you can decide whatever you want in your brain [global HR], but then if your heart [local operational HR] is not with your brain, you will never really achieve what you want to do." (HR Business Partner, OilCo) [respondent referring to drawing where global HR and local HR are visualized]

For HR specialists, the interdependent yet contradictory elements of strategic advice and good operational processes is described as difficult to achieve but also something that is expected of HR:

"So the question is twofold: yes, we expect strategic advice but your operational processes need to be running smoothly otherwise you'll definitely lose credibility, so it's a difficult role to perform." (HR Specialist, BankingCo2)

Notwithstanding the tensions between strategy and operations is a theme that is shared by all five companies, there are differences between the companies in terms of the way actors make sense of and respond to the tensions and the decisions that are made. One generic response by actors to the strategy/operations paradox is to split the HR function into separate legs. These legs are similar to those associated with the Ulrich-inspired ideal type model, but they are not identical, and details

vary from company to company. Table 3 below gives details of the different "legs" we found described by our respondents.

[Insert Table 3 about here]

One major impetus to conceptualize the HRM function as sub-units focusing on strategy and operations, was to achieve the promise of HR practitioners having more time to devote to strategic activities. Splitting, therefore, is premised on improving the efficiency and quality of operational activities and services so that from an overall perspective, HR practitioners can devote (more of) their time to achieving strategic HRM goals. The data confirms indeed that Ulrich-style splitting of strategy/operations in different legs is widespread.

"Well, we have a strategic unit... but we also have a shared service center, that's where the operational HR tasks are carried out, ... so that's how those two worlds have been split up." (Line Manager, UtilityCo)

In some cases, companies mention Ulrich explicitly:

"Basically, we have Ulrich's model as our operating model, so we have centers of expertise, we have a change capability, we have business HR and we have operations." (HR Director, BankingCo2).

Reflecting on the splitting of HR activities, the respondents take the splitting of activities – whether fueled by a particular model or not – for granted.

"Whether you slice this way or this way, you create this matrix or that matrix. So, instead of being upset about it or frustrated, it's just basically about: making the matrix work, there's a book about it." (HR Business Partner, OilCo)

"Every model works, also this particular model can work. The question is: how are those who work with the model implementing it in practice?" (HR Director, EnergyCo)

The data suggest that the *original splitting* is simply the beginning of the story for how these companies respond to HRM tensions. There is a dynamic and emergent quality to the ongoing *structuring* of the HRM function as activities become differentiated and integrated over time. Actors highlight that the HR function is constantly in transition, sometimes mentioning explicitly that the original model was just a starting point.

"It [HR] is shifting, it's shifting constantly. For years now." (Global (line) Manager, BankingCo1)

"So, what you see, our model didn't just appear one day, ..., it's been a real journey." (Country HR Director, OilCo)

Case analysis reveals that varying efforts to cope with organizing paradoxes are linked with the emergence of new paradoxes that require new responses. Table 4 presents data on how this

emerges, and Figure 1 shows a model based on the data from all five companies of how paradoxes of strategy/operations and associated tensions develop and unfold over time. Various patterns can be recognized beyond the original split of the HR functions. In particular, we show the dynamically emerging tensions flowing from, or co-evolving with, the splitting response. In the section that follows we will describe these different patterns and their outcomes.

[Insert Figure 1 about here]

[Insert Table 4 about here]

Paradoxes of HR strategy/operations: patterns of responses

The initial "splitting" response can be seen in all companies in T1 (time period 1) which corresponds with the re-organization of the HRM function into three different "legs." Following the split, the companies responded to new sets of challenges associated with reintegrating the strategic and operational elements now differentiated into organizing spaces or roles. These challenges revolve largely around successfully performing the HR Business Partner (BP) role within a differentiated structure. Whereas the role of the HR BP is supposed to be strategy oriented, demands from the business for HR support are often highly operational in focus. The gap between line managers and SSCs and COEs are often significant, and the operational execution of new HR initiatives therefore receives too little attention. The case companies have adopted various coping mechanisms to deal with this new set of tensions. This has led to different outcomes for the case companies and dynamism in terms of further developments in structuring, and in roles, within the HR organization. We identified three responses and labeled them "stuckness", "synthesis" and (further) "splitting."

Stuckness. In UtilityCo, a "stuckness" response emerged after the splitting of strategy/operations activities into a BP organization and shared services. This manifests as an inability of the HRM department to successfully work through the strategy/operations paradox after the decision to split responsibilities for operational tasks (in an SSC) and strategic tasks (in the BP role). Splitting did not produce the hoped-for benefits, including time and space, for UtilityCo HR BPs to engage in strategic activities and focus on strategic matters. The splitting has exposed a gap between the work of BPs at country or business group level and the work of SSCs, having to deal with a variety of demands from various business dimensions. According to one line manager, the splitting is too severe:

"There is shared service, that's rather operational and there's HR Business Partners, that's very strategic, but this role in between... [uses hand and face gestures to indicate it is missing]." (Line Manager, UtilityCo).

The devolution of operational aspects of HR to the line, to be supported by the operationally focused SSC, has emerged as an insufficient response to address operational issues flowing from the attempted strategic change on the part of the BPs. An HR BP explains that the timing of strategic activities is badly affected by the gap between strategic thinking and operational execution:

"We often think of something new, but then it takes at least a year before we... If you invent something, then you have to execute on it, and that shouldn't take another year." (HR Business Partner, UtilityCo).

The result is that at the time of the study, the strategic HR issues are still not gaining attention and BP workload is a concern. There is also evidence of the existence of vicious cycles (Smith & Lewis, 2011) of dealing with paradoxical tensions between these HRM foci:

"From what I hear, I understand that we are again re-calibrating the strategic business partner role. I thought that when I joined this company – 5 years ago now – we did that already.... Anyway, apparently, they need to be strategic or more strategic rather, or whatever it is they are aiming at." (Line Manager, UtilityCo)

Concerns about the excessive workload of the HR BP are voiced repeatedly throughout the study and it appears that the experience of tensions as a result of the contradictions of the HRM department between being both operationally *and* strategically focused "break open" in the role of the Business Partners:

"It's a precarious balance. I worry about business partner overload. And if they start to fall ill, that could initiate a chain reaction and that's something that concerns me deeply." (Line Manager, UtilityCo).

Synthesis is the second response to the HR strategy/operations paradox we found in the data. It is associated mainly with BankingCo2. Following their splitting of strategic and operational tasks into different HRM functions, just as in UtilityCo, new *additional* organizing structures have been introduced to accommodate the opposing elements within demarcated "spaces" within the

organization that create a synthesis between these differentiated units. In BankingCo2, a new space is created by a structure we refer to as HRBTs (HR Business Teams) launched in June 2015 within each Business Partner organization. The HRBT is designed to ensure that the strategic agenda is realized by protecting resources for the translation of strategic plans into *operational* details executed by these teams. The HRBTs translate strategy into operational implications and communicate these to the operationally focused SSCs. In the structure of the HRBT, that could be seen as an additional "leg" in BankingCo2's three-legged model, strategy and operations are synthesized again from their separate foci achieved by the split at T1. The HRBT structure allows for the separate elements to come back together. However, this is specifically in a space where the strong pull to prioritize one element over the other can be resisted, and both elements (strategy, operations) are accommodated within the new "leg". Put another way, in the HRBT the simultaneity of the opposing elements is consciously enacted rather than obscured. The HRBT members synthesize the elements by mutual adjustment and try to develop creative solutions to ensure strategic goals are operationally achieved.

Splitting (again). Two variations of "splitting – again" are found in the data. In OilCo, splitting in T1 created an Ulrich-style SSC, BP and COE structure. However, providing HR business support to global teams is challenging when Business Partners are expected to act as a sparring partner in discussing matters such as underperformance, the management of long-term sick leave or exit cases, processes that are driven by country-specific (legal) requirements. Therefore, in order to make sure that Business Partners could retain focus on strategic activities and bridge the gap with the regional SSCs who could not assist line managers with operational HR

matters at the country level, the three-legged HR model was elaborated with an additional "splitting" *within* the BP organization in T2:

"This means we have split up the business partner organization into an HR in the business part and we have HR in the country, which deals with operational matters." (Global HR Advisor, OilCo)

The further elaboration of the BP leg by the HR department in response to the difficulties for BPs to have enough space for strategy, created Business Partners who focus on global strategic issues and Business Partners who focus on local operational issues within one team which bridges their efforts and is designed to provide a personal link from strategy to operations framed by an overarching strategic focus.

EnergyCo has also engineered a splitting-again response in T2 following the original split. However, this time, they chose a vertical splitting achieved by appointing operational executors called HR Advisors to mirror the work of HR Business Partners at a different hierarchical level.

"The business partner is seated on the leadership teams, ... drives the strategic component. ...

Advisors are situated a level below that and are concerned with operational management, let's say middle management, and try to take care of HR matters there." (HR Business Partner, EnergyCo)

Similar trends can be recognized within the COEs, where strategic aspects are separated from the operational implementation of HR initiatives, that take place on a deeper level within the respective business lines.

"Projects and technology [PT] is already 15.000 people, so you see that the centers of expertise, for instance, talent, there is a PT talent person, a downstream talent person and an upstream talent person and there's a function's talent person.... They together think about the strategic aspects, the policies, implementation, issues etc. and those plans are further developed, customized and implemented in the various business units." (Global HR Advisor, OilCo)

The findings indicate that as the Ulrich-inspired HR configuration is taken on in different companies, the simultaneity of contradictory strategic and operational aspects may resurface dynamically within newly created BP organizations, indicating the inherently paradoxical nature of tensions between HR strategic and operational tasks and processes. Organizations seem to respond in various ways, some actively confronting the strategic and operational facets of business partnering by further splitting/vertical differentiation in T2. However, within these BP organizations, this has created very challenging roles for HR practitioners housed there:

"So, on a normal day, you are just dancing between these different roles all the time. ... And if I look at my team members, this can be very uncomfortable sometimes." (Country HR Director, OilCo)

Co-evolving paradoxes

The differentiation of the HRM function into different activities through splitting into three legs, whether or not this is further elaborated (by *synthesis* or *splitting – again*), does not mean that the tensions within the HRM function, between strategy and operations or between other core elements, are fully resolved. Whatever way the splitting is (not) done, and then responded to, tensions remain and new tensions emerge. We now look at the kinds of tensions that co-evolved in the case companies with the decision to adopt three legs and in some cases further elaborate them with additional structures.

Related paradoxes of learning

The response strategies of "synthesis" and further "splitting" in T2 were intended to create the space for HR practitioners and HR Business Partners to give priority to strategic activities. However, case respondents indicate that upon further developing the HR structure, new tensions surfaced with regard to whether HR practitioners are sufficiently equipped to move into this new space of strategic business partnering.

"Because now we went back to the drawing board and we created a new picture on the back of the same workforce. So, people have been moved from the left to the right without critically reflecting on what they should or should not be doing or without developing them so that they can actually become the consultant or strategic business partner they are now required to be." (HR Specialist, BankingCo2)

Many HR practitioners in the companies we studied have an operational background. Even though the new HR function stresses a more strategic focus, developing the current HR workforce so they are able to expand beyond their familiar roles of assisting line managers in operational HR matters, is not straightforward. The cases suggest that developing the competencies required for effective strategic business partnering presents learning and development challenges for individual HR practitioners and their organizations in T3. Furthermore, the balance between old HR values where practitioners spend a lot of time with employees solving day to day issues, and new HR requirements (Caldwell, 2003) to act more strategically, and to devolve tasks to line managers or SSCs, seems to be a precarious one.

"HR advisors need to do different things now, but they always focused on administrative tasks, and perform them very well. But many people are now still in their comfort zone. So, the main challenge is ... how to invite them into the learning zone?" (Country HR Director, OilCo)

As the paradoxical tensions between strategy and operations are organizationally managed in terms of the new HR structure(s), new tensions emerge with regard to old and new values and role requirements. In Smith and Lewis' (2011) terminology, a paradox of learning emerges.

Related paradoxes of organizing

The splitting of the HR function (in T1 and T2) might have yielded a (temporary) solution to strategy/operations tensions in terms of ensuring that ample time is devoted to both strategic as well as operational HR activities in, for example, HRBTs. However, it has also produced a highly differentiated HRM function in some of these case organizations. Splitting the HRM function as a

way to respond to strategy/operations paradoxes means that the intricate balance between differentiation and integration is shifting precariously to more differentiation, presenting integration challenges.

"You will always have the frustration points because, as an HR we're sliced. You have all of these different slices. ... Sometimes [things] can just fall between the cracks." (HR Business Partner, OilCo)

"Well, it's great to have all these three separate areas, you have centers of excellence, you have HR services, you have HR in the business. I think where the Ulrich model sometimes doesn't work so well is ensuring that constant feedback loop between those three areas." (Regional Manager SSC, OilCo)

Our findings suggest that paradoxes of strategy/operations and differentiation/integration do not operate in isolation. Rather, they are interrelated and co-evolving, and not without consequences. The fact that HR functions are becoming more differentiated over time, fueled by the (continuous) splitting of the HR function á la Ulrich, results in cognitive and emotional strain on HR practitioners, employees and line managers as they are struggling to understand and operate within the growing complexity of the HR system.

"That's the biggest trick eh? Knowing how this whole thing is set up if you come as an individual how do you know this stuff? ... With the service center, proximate teams, country HR, global HR, they just don't see the wood for the trees." (HR Business Partner, OilCo)

"Right now there are around 5 groups of people I have to cooperate with. If one of those groups wants something, and I challenge that, then I have to go 'shopping' with that request at our HR department, to make things happen. So, it's always shopping and managing relations. That makes it rather complex to get stuff done." (HR Business Partner, EnergyCo)

"I think the more you break things up, the more complex it gets, ... and I think it becomes harder for employees to understand how things work and for each HR person as well." (Regional Manager SSC, OilCo)

The continuous splitting of the HR function might eventually create the space necessary for both strategic and operational matters to receive appropriate attention. However, the shift to an ever more imbalanced focus on differentiation increases differentiation/integration organizing tensions. This produces additional challenges in terms of how well HR practitioners and HR stakeholders (e.g. employees, line managers) can operate in the new, evolving HR environment. Approaching paradoxical tensions (e.g. in differentiation/integration) as if they function in isolation would appear to be a dangerous endeavor since response strategies enacted in terms of the original paradox tend to influence the emergence of related sets of paradoxes.

Discussion

We have offered a novel analysis of the organizing of the HRM function based on insights from paradox theory. Our findings from five exploratory case studies suggest that variety and dynamism observed when a model is adopted, such as an Ulrich-style three-legged model, may be

understood in terms of actors' ongoing responses to paradoxical HRM tensions. Although different types of tensions are evident, organizing tensions between strategic and operational HRM foci emerged as the most salient across the cases we studied. The dominant response to these HRM paradoxical organizing tensions was to split the elements of strategy and operations. All case companies adopted an Ulrich-style tripartite structure. To one extent, our results support ideas in the literature on the widespread uptake in practice of the Ulrich three-legged stool (Gerpott, 2015; Marchington, 2008; Reilly et al., 2007). However, our study also suggests the need for caution in assuming a static perspective on the organization of HRM by splitting strategy and operations. The splitting is only the beginning. Even for companies adopting a close to prototypical three-legged stool model, emerging and co-evolving tensions were associated with new responses which changed the structure again by adding or elaborating structures or roles. In most of the cases, the change was ongoing. The original splitting response was part of more dynamic responses over time (in the past as well as the present) to respond to emerging tensions in HRM organization.

Our study supports findings from previous research highlighting the dynamics between paradoxes, how these are enacted by people, and how they co-evolve with responses over time (Lüscher & Lewis, 2008; Jarzabkowski et al., 2013). This previous research indicates that paradoxical tensions do not operate in isolation, but are connected and highly interdependent with the responses of individuals and organizations which lay the groundwork for future tensions and subsequent responses. In this study, we focused on tensions arising at the level of the structuring of the HRM function into sub-units (SSCs, COEs, and BP Units), and the subsequent responses to tensions that arose as a consequence of these actions. Subsequent tensions included those arising from increased differentiation of sub-unit structures, and responses included the formulation of new integrating mechanisms. In all our cases, organizations adopted the three-legged stool as the

dominant organization model. By doing so, they made interventions which endeavored to resolve the strategy/operations paradox. These responses, in turn, led to tensions at the level of individual capabilities and identities required to operate within the new structures. This illustrates the interplay of paradoxes, responses, and new tensions, which we argue underpins the dynamism and variety often observed in the organization of the HRM function.

Our study also sheds light on the dynamism associated with adopting any one HR organization model. With the help of paradox theory, we highlight the interdependence of the paradoxes encountered and responses attempted. By "splitting" the HR function to resolve strategy/operations tensions, new differentiation/integration tensions, and learning/performing tensions are produced. Our case studies also show that paradoxes cannot be reconciled or approached without changing the dynamics in other paradoxes operating at different levels. Paradoxes are interdependent. We identified three interdependent paradoxes: goal-directed interventions in the strategy/operations paradox led to control and performance issues in the differentiation/integration paradox and finally tensions in terms of the capabilities and identities of HR-professionals related to the learning/performing paradoxes. The main implication, therefore, is that the study of isolated paradoxes has very limited relevance and the reliance on one organizational model to stably solve HR tensions is probably futile.

It may also be helpful to practitioners to view HRM organizing models of any kind in terms of dynamic processes and variety of responses. Rather than viewing deviation from a particular and widely adopted HRM model as some kind of lack or failure, such variety and dynamism could be propagated as a valuable thing. The analysis of these cases indicates that responses to HRM tensions in the form of new structures or roles were inherent to the ongoing work of coping dynamically with HRM tensions. Along with those studies adopting a more nuanced perspective

(Teo & Rodwell, 2007; Roche & Teague, 2012), our study contradicts the dominant perspective in normative HRM theorizing which appears to be that HRM functions should be *more focused on strategy* and *less on operations*. In the next section, we consider several fruitful avenues for new research in terms of paradox theorizing and HRM.

Suggestions for Future Research

Firstly, while our study suggests that HRM actors confront paradoxical tensions between strategic and operational concerns (addressed extensively in this paper), a paradox perspective on tensions between other HRM elements would be beneficial and welcome. Future research could address the co-evolving of paradoxes and responses in terms of employee well-being versus employee performance; short-term versus long-term HRM performance; standardization versus customization in HRM practices – particularly in internationally operating organizations – and centralization versus decentralization of control over HRM policies.

In the case of the latter, the devolution of HRM activities to the line (and beyond) is a critical issue which appears to cause tensions for line and project managers, and HRM practitioners (Whittaker & Marchington, 2003; Keegan, Huemann & Turner, 2012). A paradox perspective could stimulate novel questions on how interrelated tensions emerge and develop over time once decisions have been made to either devolve HRM to the line, or not. These questions include how co-evolving *belonging* tensions arising from professional identity concerns for line or project managers play out during devolution, and how *performing* tensions arising from the need to devote more time to HRM issues influence line and project manager motivation for HRM work (Dany, Guedri & Hatt, 2008). The manner in which HRM practitioners and HRM departments support

these developments, and the impact their responses have in terms of *belonging* and *performing tensions* within their own work, is also vitally important to consider in future studies.

Research on how paradoxes in HRM are enacted, and how they co-evolve with responses over time, is highly practically relevant to the practitioners confronting these tensions. Education and training in working through paradoxes (Lüscher & Lewis, 2008) or developing paradoxical mindsets (Miron-Spektor et al., 2017) are likely to be useful for practitioners' understanding of the complex and non-linear ways in which paradoxical relations between tensions interact with responses. Paradox mindsets (Miron-Spektor et al., 2017) may relieve some of the frustration that comes with co-evolving tensions and responses, and dealing with paradoxical facets of HRM work often reported (Guest & Woodrow, 2012).

Furthermore, increased understanding of the emotional impact of dealing with HRM paradoxes is of potential benefit to HRM practitioners and stakeholders mired in these tensions. Returning to the example of devolving HRM tasks, tensions have been exacerbated by the declining headcount in HRM functions and the intensification of HRM-related tasks in line and project management work. Whether and how this leads to cognitive and emotional difficulties for HRM practitioners and other managers, and the responses enacted to deal with these in organizations, deserves more research attention.

While dual elements in tension (e.g. hard approaches to HRM versus soft approaches to HRM) have been a focus of HRM literature for decades, the tensions between triple bottom line goals in HRM expressed in recent studies of sustainable HRM (e.g. Ehnert, 2009), will likely benefit from a paradox perspective. The complex interactions of priorities driven by not two but multiple simultaneous demands, enables a move beyond the either/or focus on conflicting outcomes/mutual gains that has been prominent in recent years.

Finally, while a paradox lens can enrich HRM practitioners' understanding of the challenges inherent to HRM and equip them with a new perspective on different responses and outcomes, the study of HRM as a field of practice is likely to reveal new insights on how paradoxes emerge and unfold over time in ways reflecting both structure and agency, and how these comingle. The involvement of multiple actors, with multiple identities and priorities, in HRM systems, is increasingly the norm (Keegan et al., 2012). The potential for changes to HRM structures to trigger responses and fuel further tensions at organizational and individual levels, suggests that academic researchers could usefully focus on the challenges of HRM work, that is inherently paradoxical, to develop insights of broader relevance for organization studies on the emotional, cognitive and structural challenges of paradox thinking and acting.

Limitations

Like all research studies, this one has limitations to be borne in mind when considering the findings. One limitation is the number of cases and interviews per case which limit the external validity or generalizability of this study. While generalizability is not an aim of this, or typically other explorative qualitative research (Miles & Huberman, 1994; Guest et al., 2006), caution is required when considering how the findings from this study reflect more general trends in terms of the HRM function and how it is organized. We tried to ensure the internal validity of the study by interviewing HR actors in different roles and by comparing the findings within and across the cases. We also performed member checks with the interviewees (Guba & Lincoln, 1981) by sending a preliminary report of the themes and the main findings and seeking their feedback and clarification. A second limitation is that we focus mainly on organizing paradoxes and the tensions that emerge and (co)evolve with responses to these types of paradoxes. Future research should

consider other HRM paradoxes, for example in the areas of belonging and performing (Smith & Lewis, 2011; Aust et al., 2015), which would also yield valuable insights building on previous research that has examined the tensions facing HRM practitioners in their changing roles (Caldwell, 2003; Keegan & Francis, 2010; Pohler & Willness, 2014). A third limitation is that our study does not adopt a longitudinal methodology. We rely on retrospective accounts of interview participants as to the decisions and outcomes of structuring the HRM function. Our research methods do not allow direct observational access to the emergent, processual aspects of these decisions and outcomes. Future research building on these preliminary findings, and adopting such a processual perspective, could yield valuable insights on the practical, daily challenges of observing and responding to paradoxical tensions in HRM.

Conclusion

The variety and dynamism observed in practitioner and theoretically informed empirical studies of the organization of the HRM function may be explained by how actors respond to paradoxical tensions. Insights from paradox theory suggest that the HRM organizational structure at any point can best be seen as dynamic and emerging, as a constellation of activities arising from how HRM actors perceive, make sense of, and respond to paradoxes inherent in HRM work. The paradox of strategic/operational work loomed large in the companies we studied. Splitting was a dominant response pursued to deal with organizing tensions. However, such splitting, whether Ulrich-style into three legs, or any other, seem to underpin dynamically emerging processes rather than solve HRM organizational challenges in a definitive way. New tensions arose and the structure over time became reordered as new paradoxes were anticipated and new capabilities are envisaged and developed.

A paradox lens sees the HRM function as constantly "becoming" (Chia, 1996; Chia & Mackay, 2007). It does not support an overly strong focus on right (and wrong) structures, or HRM models, and highlights the importance of HRM actors developing the capabilities required to respond actively to paradoxical tensions inherent in HRM elements. We have focused in this study on strategy/operations as paradoxical elements, but the same type of analysis might also be relevant for other tensions such as those between employee/business foci (Francis & Keegan, 2006), and short-term/long-term HRM goals (Boxall & Purcell, 2007; Ehnert, 2009). A better understanding of HRM tensions and paradoxes, and the managerial and organizational responses to them opens up new questions of value for HRM research, and general management research, and provides fresh insights to HRM practitioners and others involved in HRM work.

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Table 1. Case Company Details

Organization	Number of Employees worldwide (2016)	Total # of formal recorded Interviews	SSC/Operations	HR Business Partner	HR Specialist	HR Director / Sr. Manager	Line Manager
OilCo	92,000	8	1	2	1	2	2
EnergyCo	2,870 (58,652)*	5	1	1		1	2
UtilityCo	5,494	7	2	2		1	2
BankingCo1	54,000	8	1	2	1	2	2
BankingCo2	21,664	8	1	2	1	2	2
		36	6	9	3	8	10

^{*} Number of employees parent company

Table 2. Paradoxes in HRM discourse

Dimensions	Themes	Codes	Representative Quotes
Paradoxes of strategy/operations	Focus on Strategy	Strategic Long Term Business- Partnering	"So we are focused on strategic workforce management, you know, where the business is headed, so that spot on the horizon." (HR Business Partner, BankingCo2) "To act more like a business partner and really focus on strategic matters." (HR Business Partner, BankingCo2)
	Focus on Operations	Operations Details Short term House In order	"I'd prefer to get more details and to discuss the wider implications and to ask operational questions such as: how does it work exactly? What are the consequences?" (Line Manager, UtilityCo) "In the short term, we need to have our house in order" (HR Manager, BankingCo2).
	Interdependencies		"Yes, we expect strategic advice but your operational processes need to be running smoothly otherwise you'll definitely lose credibility" (Learning Specialist, BankingCo2) "If you decide on the strategy you can decide whatever you want in your brain [global HR], but then if your heart [local HR, operational] is not with you brain, you will never really achieve what you want to do." (HR Business Partner, OilCo)
	Contradictions		"One part is very strategic and macro-ey, the other part is just very operational, focused on targets and fast and cheap service delivery. The other side is much more about relations, consultancy and being a strategic business partner. These two worlds don't easily see eye-to-eye." (Line Manager, UtilityCo) "To think about the future, to create a vision, but today it's about having everything in order. That's what I think is a field of tension." (HR Manager, BankingCo2).
Paradoxes of Differentiation/Integration	Focus on Differentiation	Specialization Splitting/Slicing Segmentation Decentralization	"As an HR, we're sliced. You have all of these different slices." (HR Business Partner, OilCo) "I believe we are moving more towards specialization. And indeed, more different units." (SSC Employee, UtilityCo) "Originally, it's all about segmenting stuff" (Regional Manager SSC, OilCo)
	Focus on Integration	Coordination Integration Cooperation	"In the end, we are all one team. In the end, everything should be under one umbrella." (SSC Employee, UtilityCo) "You see, it is important at times to achieve cooperation across borders." (HR Director, BankingCo1) "That's why I say: If I don't think about integration, then I'm finished right away" (HR Director, EnergyCo)
	Interdependencies		"So, whether you set up in blue and white or you set up in yellow and green, [there] will be some kind of the complex system taken into consideration so many countries and employees." (HR Business Partner, OilCo) "So, it's really a cycle, you know: now we are going to decentralize everything and then we aim to coordinate everything better again that's what I think is interesting." (Learning Specialist, BankingCo1)
	Contradictions		"The business sees us as 1 HR organization. They don't care much whether we provide service from one box or the other. I have to make sure that the end-to-end processes run smoothly for our businesses, across the different boxes, but I am not responsible for those boxes [HR services and COEs] I can understand that this model can yield benefits of scale when implemented properly, but it doesn't make my work here locally any easier." (HR Director, EnergyCo)

Table 3. HR configurations of the case organizations included in this study

Organization	SSC	COEs	BPs	Additions to the model
OilCo	✓ (Regional)	√	√	HR BP organization split into: - HR in the Business - HR in the Country
EnergyCo	✓ (Country-level)	✓	✓	HR BP organization split into: - HR Business Partners - HR Advisors
UtilityCo	✓ (Country-level)	✓	✓	N.A.
BankingCo1	X	✓	✓	N.A.
BankingCo2	✓ (Country-level)	✓	✓	Business Management teams to accommodate both strategic and operational foci and ensure execution of strategic initiatives.

Dimensions	Themes	Representative Quotes
Paradoxes of strategy/operations T1	Paradoxes or organizing	"So, there is this dual emphasis. Let's say, long term it's about vision and more short term it's really house in order." (HR Manager, BankingCo2)
Responses T1	Splitting	"Well, we have a strategic unit [HR Business Partners], but we also have a shared service center, that's where the operational HR tasks are carried out, so that's how those two worlds have been split up." (Line Manager, UtilityCo) "Basically, we have Ulrich's model as our operating model, so we have centers of expertise, we have a change capability, we have business HR and we have operations." (HR Director, BankingCo2)
Paradoxes of strategy/operations T2	Paradoxes of performing	"That's the dilemma of the last couple of years. To perform our role successfully, we should take on less operational work so that we can spend and focus more time on strategic activities." (HR Business Partner, UtilityCo) "So, on a normal day, you are just dancing between these different roles all the time And if I look at my team members, this can be very uncomfortable sometimes." (Country HR Director, OilCo)
Responses T2	Splitting	"This means we have split up the business partner organization into an HR in the business part and we have HR in the country, which deals with operational matters." (Global HR Advisor, OilCo) "The [HR] business partner is seated on the leadership teams, drives the strategic component Advisors are situated a level below that and are concerned with operational management, let's say middle management, and try to take care of HR matters there." (HR Business Partner, EnergyCo)
	Synthesis	"We have several product owners, they are still in the centres of expertise but the people now responsible for implementation, who usually require business knowledge, are now in these [name newly introduced HR business management teams]. These two people are jointly responsible for knowledge transfer, implementation, standardization and quality." (HR Business Partner, BankingCo2) "These [name HR business management teams] have been assigned several big HR themes such as end-of-year processes and underperformance cases. In other words, standard HR tasks that are very time consuming for HR business partners are now clustered and executed by somebody with the relevant expertise. That's what [name team] do. So, they actually support the strategic HR business partners." (HR Specialist, BankingCo2)
	Stuckness	"There is shared service, that's rather operational and there's HR business partners, that's very strategic, but this role in between [uses hand and face gestures to indicate it is missing]" (Line Manager, UtilityCo) "We often think of something new, but then it takes at least a year before we If you invent something, then you have to execute on it, and that shouldn't take another year." (HR Business Partner, UtilityCo).
Outcomes	Vicious cycle	"From what I hear, I understand that we are again re-calibrating the strategic business partner role. I thought that when I joined this company – 5 years ago now – we did that already Anyway, apparently, they need to be strategic or more strategic rather, or whatever it is they are aiming at." (Line Manager, UtilityCo) "It's a precarious balance. I worry about business partner overload. And if they start to fall ill, that could initiate a chain reaction and that's something that concerns me deeply." (Line Manager, UtilityCo)
	Create space for strategic business partnering	"We are now able to exploit specific expertise on a standard product, which enables our HR business partners to move freely into the space of strategic sparring partner to the business." (HR Manager, BankingCo2) "What is good about the model is that a business partner is enabled to really be a business partner and add strategic value to the business." (HR Business Partner, EnergyCo) "So that's what I tell my team as well, be proactive. Know your business and that's something that HR in the county in the past, or traditionally also, hasn't really done. But now we have created that space for certain." (Country HR Director, OilCo)
Paradoxes of strategy/operations T3	Paradoxes of Belonging/learning	"I think the biggest challenge is not necessarily the [HR] structure but more so how people perform their roles in the new structure. Because now we went to the drawing board and we created a new picture on the back of the same workforce. So, people have been moved from the left to the right without critically reflecting on what they should or should not be

		doing or without developing them so that they can actually become the consultant or strategic business partner they are now required to be." (HR Specialist, BankingCo2) "HR advisors need to do different things now, but they always focused on administrative tasks, and perform them very well. But many people are now still in their comfort zone. So, the main challenge is,, how to invite them into the learning zone?" (Country HR Director, OilCo)
Paradoxes of HR differentiation/integration	Paradoxes of organizing	"You will always have the frustration points because, as an HR we're sliced. You have all of these different slices Sometimes [things] can just fall between the cracks." (HR Business Partner, OilCo) "Well, it's great to have all these three separate areas, you have centers of excellence, you have HR services, you have HR in the business. I think where the Ulrich model sometimes doesn't work so well is ensuring that constant feedback loop between those three areas." (Regional Manager SSC, OilCo)
Outcomes	Growing complexity HR function	"That's the biggest trick eh? Knowing how this whole thing is set up, if you come as an individual how do you know this stuff? With the service center, proximate teams, country HR, global HR, they just don't see the trees between the wood." (HR Business Partner, OilCo) "A matrix is a matrix. So, whether you set up in blue and white or you set up in yellow and green, there will be some kind of a complex system taken into consideration so many countries and 90.000 employees." (HR Business Partner, OilCo)
	Cognitive and emotional strain	"I think the more you break things up, the more complex it gets, and I think it becomes harder for employees to understand how things work and for each HR person as well." (Regional Manager SSC, OilCo) "So, then you end up in some kind of impossible complexity, irrespective of how competent the people are that have to work in it." (Line Manager, EnergyCo) "Right now, there are around 5 groups of people I have to cooperate with. If one of those groups wants something, and I challenge that, then I have to go 'shopping' with that request at our HR department, to make things happen. So it's always shopping and managing relations. That makes it rather complex to get stuff done." (HR Business Partner, EnergyCo)

 $Figure \ 1. \ A \ model \ of \ how \ paradoxes \ of \ HR \ strategy/operations \ and \ associated \ responses \ unfold \ over \ time$

