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Implementation an human resources shared services center: Multinational company strategy in fusion context

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ABSTRACT

The aim of this research was to analyze the process of implementation and management of the Shared Services Center for Human Resources, in a multinational company in the context of mergers and acquisitions. The company analyzed was called here Alpha, and is one of the largest food companies in the country that was born of a merger between Beta and Delta in 2008. The CSC may constitute a tool for strategic management of HR that allows repositioning of the role of the area in order to be more strategic at corporate level and more profitable at the operating level. The research was based on a descriptive and exploratory study of qualitative approach. Among the results, there is the fact that shared services were strategic to support, standardize and ensure the expansion of the company. The challenges found were associated with the development of a culture of service and the relationship with users and the definition of HR activities scope. The following management procedures include the adequacy of wage differences between employees, the career path limitation and the need to attract and retain talent and international expansion.

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1. Introduction

Creation and management of Human Resources (HR) Shared Services Centers (SSC) in organizations is a phenomenon that originated in the 1980s in the United States. Although it is not a novel concept in people management area, its elements are often among the trends in international research. Cooke (2006) states that there is a significant gap between the literature exposing the effectiveness and usefulness of HR shared services and an effective model success. The financial and emotional costs of moving to a shared services model can be greater than the reduction in tangible costs provided by the companies.

On the other hand, the nature of providing services which are standardized, efficient and generate value to the (Ulrich, 1995) sought by the model of SSCs becomes increasingly possible to implement. As drivers of this process are the

development of communication technologies and the need for multinational companies to establish uniformity in people management actions in their different business units. A research by *Society for Human Resource Management* (SHRM, 2011) has shown that 56% of HR professionals have already tried to increase the use of technology to perform HR transactional functions such as payroll. Of these, 20% of those who do not do it yet are already planning to do it. The same survey reports, among the ten most common actions that global organizations have taken in response to trends in the labor market, increased use of technology to perform transactional functions of HR.

Whereas transactional and routine activities are being automated and make possible the use of technology, among the largest actions organizations are taking in terms of economic movements and labor market is the development of a broader

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business acumen from the HR staff (49% have carried out actions in this direction and 21% plan to do so). Therefore, increased investment in training for HR professionals is remarkable (43% of companies surveyed), indicating the importance of this area being prepared for environmental challenges (SHRM, 2011) and thus contributing to the organizational performance.

Despite the relevance and potential of HRSSCs in supporting organizations' expansion and performance and increased standardization of activities, little is known about this modality in Brazilian organizations. Furthermore, the complexity of delivering standardized services such as the SSC grows according to the company's size, operation and international operations (Cooke, 2006). In this context, consolidations and acquisitions are topics that add complexity to service management and may potentiate challenges to SSC. They are recurrent sources of organizational research because of the potential to achieve economies of scale, new markets, greater legitimacy, survival, and other important results. Shi, Sun and Prescott (2012) have reviewed 144 articles published and acknowledged that consolidations are key initiatives for growth and restructuring of companies as well as being central to the development of leadership and management teams.

This study aims to analyze the implementation and management of a Human Resources Shared Services Center in a multinational company in a context of a consolidation, which shows the need to align the strategies of different business units and generate value to the organization from the rationality of costs, productivity, standardization and especially bearing organizational growth in alignment. Therefore, the investigated company's brief history and current situation were formulated and the existing HRSSC was described before the consolidation process with respect to transactional and transformational services (Ulrich, 1995; Ulrich & Grochowski, 2012).

This work seeks to contribute to the development of studies on SSCs in Brazil because it is believed that the adoption of an HR shared services model can transform the role of the area, allowing it to be more strategic at a corporate level and more profitable at the operational level. However, few academic studies have been conducted to investigate the challenges to the successful implementation of an HR services

center and about the impact of the adoption of an HR shared services model in different groups of employees (Cooke, 2006).

Shared services can be tools for Strategic Human Resources Management (SHRM) in responding to trends to reorganize the HR function in view of changing strategic organizational needs and management of human capital in robust operations in companies (change management, consolidations and acquisitions) (SHRM, 2011). The SHRM consists of all activities that influence individuals' behavior and their efforts to formulate and implement strategic business needs (Schuler, 1992; Schuler & Tarique, 2007).

This article was prepared in order to integrate the concepts studied and allow their understanding from the Strategic Human Resources Management. The first part of the research is dedicated to introducing the subject matter. Then a literature review is carried out. In the third section the research methodological presuppositions are presented. And sections 5 and 6 are devoted to presentation, discussion of results and final thoughts.

Below is presented the literature review of this article, which sought to conceptualize SHRM and some of its theoretical perspectives as well as the theoretical aspects and the application of the Human Resources Shared Services Center.

2. Strategic people management and the human resources roles

The field of human resource management has undergone a dramatic change from the 1980s and 1990s. This change has increased the focus of HR research, once micro-analytical, to a macro or strategic vision. The strategic perspective of HR, which has been presented as Strategic Human Resources Management (SHRM), has grown from the researchers' desire to demonstrate the importance of human resource practices to accomplish organizational performance (Delery & Doty, 1996; Martín-Alcázar, Romero-Fernandez & Sánchez-Garvey, 2005). For Lengnick-Hall, Lengnick-Hall, Andrade and Drake (2009), although there is a relationship between organizational performance and human resources, this link is more mutual than direct, influences each other and there is not always causality. The same authors have recommended an agenda for future researchers emphasizing the study of the alignment of the various business units'

strategies, the recognition of differences between formulation and implementation of strategies, and the role of strategic people management based on knowledge.

In a strategic context, it is relevant to consider the roles currently played by the area and how they can be adjusted to meet organizational objectives. Among the different perspectives of SHRM, Ulrich, Younger and Brochbank (2008) state that HR plays five different roles, but aligned to the business:

- Service center: Using technology, the HR service centers perform administrative routine and standardized work. They tend to look for ways of cheaper personal work, process quality and standardization. An example would be the development of common administrative systems or online benefits so that employees can be self-sufficient in the use.
- Corporate HR: Responsible for handling the organization's identity and culture; the CEO's schedule; implementation plans; conflict resolution; executives management; HR professionals' development.
- Integrated HR: Business partners responsible for direct support to the line manager; it is the internal consultant for HR; a generalist; must align its efforts in the implementation of which is designed by the Expertise Center.
- Expertise Center: Responsible for converting strategy into processes; by innovation and demand forecasting. They consist of experts who have a unique vision and great depth in HR practice areas around people (e.g., training), performance (rewards), communication and organization.
- Executors/Operationalists: They implement the strategy; multi-functional, having business knowledge; support to business partners (integrated HR).

Ulrich and Grochowski (2012), in their recent approach regarding HR roles, emphasize the importance of the first four, failing to give special attention to the Executors/Operationalists. The authors emphasize that the way these functions are performed depends on the design choices of an organization (centralized, decentralized, in a matrix, and outsourced), which usually leads the HR departments to follow suit. Most major

contemporary organizations, usually multidivisional companies, are highly matrix-like as a business and to fully meet their needs the HR can be organized around a shared services model (Ulrich & Grochowski, 2012).

3. Human resources shared services center

It is suggested that the specific origin of the Shared Services Center (SSC) is the finance function in the 1980s, involving separating administrative financial services from strategy and support financial consulting. However, it is also possible to find previous references regarding the sharing of medical and administrative services in health in order to contain costs and expand services (Schermerhorn, 1975; Redman et al., 2007).

Already in 1995, one of the leading scholars studying SSCs, Ulrich (1995), would warn that many companies had begun to adopt it without understanding why or how it worked or the real benefits of this type of project. The author would explain that sharing services consisted in intersecting five management concerns: productivity, globalization, reengineering, service and technology.

In shared services, customers choose the "type, intensity and quality of the services they want from staff groups and the price they are willing to pay" (Quinn, Cooke & Kris, 2000, p. 13.) For Ulrich (1995), the '*user is the chooser*', that is, the focus is on the client. The distinction between shared services and outsourcing in some forms is restricted, because for some authors shared services could be seen as a form of internal outsourcing. Shared services, it seems, are sometimes used as an intermediate step before outsourcing (Quinn et al., 2000).

Redman et al. (2007) have speculated that the literature on shared services emphasizes three main factors: **costs, quality and change**. The need to reduce costs with support staff and cut duplicate efforts is prominent in the shared service literature, although there is little evidence in this sense (Cooke, 2006).

Shared services can be defined in two types: services transaction-based and services-based transformation. Transaction-based services can be activities related to benefits, compensation/payment, T&D activities, corporate citizenship, activity record, and personnel department. As for services-based transformation, it consists of HR activities to help implement the

strategy, create a new culture or accomplish business goals. It can constitute personnel activities (talent and career management), development (strategic), compensation (performance, performance assessment), communication, organizational design, relations with employees, and relations with labor unions. Activities and transactions processing can be combined in Centers of Excellence (CoE) and Service Centers (Ulrich, 1995).

Arkin (1999) describes a shared services approach to HR professionals increasingly operating through technology call centers. The main difference between the basic and the market model is the inclusion of professional and consulting services and the separation of the governance activity for the provision of services. In the advanced market model, customers have the freedom to use external suppliers, if desired. Also the shared service is able to provide external services to other customers if there is idle capacity. The final stage of the continuum sees shared service becoming a separate business entity, providing services to a complex range of organizations. Maintaining relationships on shared services clearly seems to be a challenge to be addressed in HR applications (Arkin, 1999).

Reilly and Williams (2003) believe that shared services functions shall grow in size as Information and Communication Technologies advance. Quinn et al. (2000) suggest that shared services functions shall inevitably mature and become independent business units and/or shall result in outsourcing.

A growing number of multinational enterprises (MNEs) are structured with SSCs, in particular, their human resources activities. Traditionally, the typical HR structure in an MNE has a small team at the corporate level that is responsible for strategic issues. Most HR operational functions are performed at the national level. However, a growing trend in recent years has been the establishment of HR Shared Services Centers offering activities more centrally, and often remotely, from the MNEs' subsidiaries (Cooke, 2006).

HR policies developed by multinational companies in their globally dispersed subsidiaries typically generate a "global-local" tension, i.e., the pressures for adjusting to the centrally developed standard and the headquarters' management policies versus the need to ensure the affiliate HR policies and practices, which are sensitive and reflective of the standards and traditions of the national context. In other words,

there is a potential conflict between the desire to maintain central control of MNE and the demand for autonomy by the subsidiary in certain areas of HR policies and practices. Also, there is room for intermediate approaches in which a certain local autonomy is granted to the subsidiaries to develop HR policies within certain frameworks or guidelines established by the headquarters or in certain areas of HR approved by the MNE (Belizon, Gunnigle & Morley, 2013).

Among the challenges experienced by the HR function in multinational corporations are the consolidation of the initial internationalization gains, such as the lack of decentralized decision-making, developing a global mindset, the location of the workforce, and the design of a leadership model worldwide (Thite, Budhwar & Wilkinson, 2014).

Among the potentialities and challenges posed to SSCs acting both nationally and internationally, Cooke (2006) highlights the range potential of more efficiency and providing HR professional services through services rationalization and simplification. Also appointed by the author are career development optimized for HR personnel and the highest ratings in customer satisfaction through a better balance between the clients' expectations and services. The SSCs cooperate in the best specification of service (e.g., through service level) and performance monitoring as a result of the internal market system and facilitate business investment in information technology and communications infrastructure. Finally, they provide greater transfer of the cost of services and facilitate the monitoring of budgets.

On the other hand, the author herself subjects a proviso in her study about the reality and promises of a HRSSC. Problems related to Shared Services Center include low customer satisfaction levels, less interesting work, career opportunities reduced to HR personnel and higher costs than expected (Cooke, 2006).

In this sense, Ulrich (1995) raises potential barriers to be observed when planning to implement a SSC: it is necessary to pay attention to changes in power, since in an organization with shared services power changes from headquarters to the field. Creating a team of HR professionals with common interests, business focus, and mutual respect requires dialogue and shared commitment among HR professionals.

Other relevant factors are the depersonalization of service, often done remotely or automatically, the concern for accountability, as the organization of shared services has more responsibility, not less, for HR professionals, and the need for a shared mentality concerning the area focus and priorities. The fifth barrier to be observed is the personal shadow, a factor that arises when line managers may not have HR professionals in certain roles in their unit and shift their subordinates' functions to carry out such activities (Ulrich, 1995).

For shared services organizations to be sustainable, they need to add value to the company (Ulrich, 1995; Ulrich & Grochowski, 2012). Given the high cost, both financial and emotional, in moving to a shared services model, companies must take a holistic approach and perform sophisticated financial calculations to weigh the cost of internalizing against outsourcing. Furthermore, companies should not expect a reduction of high costs in the early years of the creation of a Shared Services Center (Cooke, 2006).

Reilly (2000) discusses in detail the advantages and disadvantages of the SSC models that he studies. The advantages – low cost, higher efficiency, better quality, for example – are almost exclusively organizational benefits. The disadvantages in comparison are almost entirely related to the impact on the shared services worker.

Highlighting the HR challenges in implementing a SSC, Redman et al. (2007) consider that there is a potential to create an unbridgeable gap between the HR staff that adds transformational value to the work and those who work in transactional areas with consequent implications for the career (equality, opportunity management, recruitment and attractiveness to the function). It is difficult to see the attractiveness of working in a non-strategic area with low added value to the organization's HR department. This is a challenge to attract high-performing candidates. The cases presented by Cooke (2006) indicate a deliberate HR strategy in not hiring talents, focusing on the repetitiveness of functions and hoping that the ambition to climb the career ladder is lower in this type of employee.

In this sense, Bergeron (2003) states being relevant the consideration regarding care and challenges from the perspective of the HR area when an SSC is implemented, which involve the domain of new styles of interaction, the need for downsizing

(reduction of staff), the possibility of personal exhaustion by employees given factors related to: cultural change, great administrative expectations, great uncertainty, high responsibility, low self-esteem among employees, pressure for productivity, new management style, new submission structure, abrupt change in the employee's personal life, the need to develop a mindset about shared services within the enterprise.

Thus, it can be said that HRSSCs mean, at the same time, possibilities of developing competitive strategies regarding multinational organizations, as well as involving challenges to its management. In the sense already predicted by Ulrich (1995), it is necessary to have a clear goal of deploying an SSC and that fundamentally this one shall generate value for the company. In this context, the present study sought to analyze the HRSSC implementation and management in a company in the context of a consolidation.

4. Methodological procedures

This research is aimed to study the phenomenon of HRSSCs as an approach that enables the HR to be consistent with the company's business strategy and its circumstances (Armstrong, 2006). From the point of view of its goals, this research is defined as an exploratory and descriptive study.

The approach was predominantly qualitative, considering its goals and the characteristics of the complex phenomenon investigated (Chizzotti, 2006). The data collected in the survey are primary, mainly obtained through six in-depth interviews carried out during the first half of 2013 with the Director of the Shared Services Center (I1), the Executive Manager of HRSSC (I2), the Utilities Manager (I3) and with three HR area coordinators (I4; I5; I6). All respondents were questioned about the history of SSC, the challenges experienced in different dimensions and the influence of the consolidation and acquisition processes which the company had undergone.

All respondents had had an active participation in the implementation of SSC from conception at the time of company Beta, having passed by the consolidation period with company Delta. Secondary data from the company's publications to its shareholders and presentations sent by the director of SSC were also used. Interviewee 1 was also the supplier of the documentary data (AlphaDoc01; AlphaDoc02) and most of the information regarding

the characterization and creation of SSC. That is because he was a participant of the project since its inception. The time frame used focused years 2004-2012, a period that includes the design and implementation of the center as well as the consolidation between Beta and Delta.

In-depth interview was chosen for its relevance in a qualitative research by privileging social actors' speech. It allows achieving a level of understanding of human reality that becomes accessible through speeches, being suitable for research aimed at knowing how people perceive the world (Alves-Mazzotti & Gewandsznejder, 2001). The data emerging from the survey were transcribed, pre-analyzed, explored and processed. From this process, the inferences and interpretation of data were elaborated, according to the steps of content analysis (Bardin, 2004). Processing the content analysis results can be accomplished through various techniques such as categorization, evaluation, expression, relationships and discourse. In this study, the perspective of categorization was adopted, which is "an operation of rating the elements constituting a set by differentiation and then by regrouping according to gender (analogy) with the criteria previously established" (Bardin, 2004, p. 111).

In this case, categories related to the role of HRSSC proposed in the literature in relation to its potentiality and goals were defined a priori, as well as its challenges, according to Table 1 below:

interviews. At the second level, they were grouped according to their semantic proximity. Identifying the possible emergence of new categories was sought and then interpretation and inferences were performed.

5. Analysis of results

According to documents data provided by the organization (AlphaDoc01), Beta originated in 1934 in the Brazilian State of Santa Catarina as a groceries family business. In 1994, the company left its family foundations that marked its administration so far so that pension funds [Banco do Brasil (Brazilian Bank of Brazil)] would take its control. From 1994 up to half of the decade of the 2000s, Beta was below the market leading brand. From the design of the strategic planning in 2009, the company began to seek the leadership and accomplishing some audacious goals. Beta's expansion strategy was associated with acquiring companies of the sector, especially those that were geographically closer because most competitors were in the South of the country. As a highlight in Beta's acquisitions may be mentioned the division of meats (2000) and then controlling interest of Sigma (a major company in the food sector in the South of Brazil) in 2005, the acquisition of margarine brands in 2007 and the acquisition of Gamma (a dairy company), also in 2007. Finally, the main acquisition was the consolidation of Beta with Delta in 2008, which generated company Alpha.

Tab.1

Categories of research proposed for content analysis

Category defined a priori	Indicators	Authors
Objects and potential of CSCs to RH	Support the expansion and performance	Cooke (2006)
	Increased standardization	Cooke (2006); Ulrich (1995); Ulrich e Grochowski (2012)
	Customer satisfaction levels	Cooke (2006)
	Greater efficiency in the services	Cooke (2006)
Desafios do CSC RH	Distance between transactional and transformational (equality, management of opportunities, recruitment and attractiveness to the position)	Redman et al. (2007)
	Need for downsizing	Bergeron (2003)
	New styles of interaction	
	Personal stress	
	Self-esteem	
	Abrupt change personal life	

Source: Proposal made to support the categorization technique by Bardin (2004).

The use of categories has taken place at a first level to sort the data processed both in a document format as in text resulting from the transcription of the

The company had in 2015 more than 105,000 employees in 35 industrial units in Brazil, 13 overseas factories (six in Argentina, one in the United Kingdom,

one in the Netherlands, and four in Thailand and one in the United Arab Emirates) and 40 distribution centers (AlphaDoc01). The association between Beta and Delta, which originated Alpha, was announced on May 19, 2009 and approved by the Brazilian Conselho Administrativo de Defesa Econômica (CADE; Administrative Council for Economic Defense) in July 2011. The company's strategic long-term plan, Alpha-15, included a balanced growth by organic expansion of selective operations and acquisitions in strategic regions such as the Middle East, Latin America and other emerging markets, such as Asia and Africa. During 2011, Alpha announced an investment of US\$ 120 million in the construction of an unit in the Middle East (AlphaDoc01). The company acquired in 2012 industrial units in Argentina and when carrying out the research it would implement standardized systems and processes (I1).

All the recent growth of the company was supported and backed by the Shared Services Center (SSC) which offers a range of standardized services focusing on efficiency, productivity and expansion of Alpha's best practices.

5.1 Alpha's hrssc: objectives and potential

The SSC was implemented seeking to provide the company the reduction of operating costs and also to support the company's growth designed in its strategic plan (Alpha15). Interviewee 1 states that the Service Center started being discussed in 2004. At the time, "nobody inside the company would understand the concept of Service Center. Some companies would have a SSC, but nobody would hear about them" (I1). The design came from a financial management project which discussed the possibility of creating a financial table to standardize operations and optimize some processes. The mentality of shared services began to be understood and the company hired (American multinational technology and consulting corporation) IBM (*International Business Machines*) to create a business case, which was prepared in a period of three to four months. In it was set targets and expected gains and three main objectives were established: reducing costs, standardizing processes, the company's expansion.

The SSC started operating in June 2005 in the Brazilian State of Santa Catarina. According to Cunha (2011), the choice of the city at the time was made through a feasibility analysis that considered the issues of minimum requirements for labor

(knowledge of English and availability of universities), housing conditions and strategic location of the city in terms of roads access and proximity to other major cities in the region, as well as port and airport.

One hundred and fifty people were locally hired and trained and over 200 people already working in the organization were transferred to the Center. In June 2005, the processes were interrupted at the tips and started in the SSC. The company ended up relevantly depending on the Center, since there robust processes are performed, such as the payroll of 120,000 employees.

Regarding the results expected and previously classified as 'challenges' (cost reduction, standardization and support to growth), Alpha's SSC Director at the time informed that in 2006 the SSC reached 0.7% of cost impact on the net income. After the acquisition of large companies, such as Sigma, Gamma (2007) and the consolidation with Delta (2008), the SSC had, at the time of data collection, a BRL 170 million budget, which represented 0.6% of the net revenue.

Regarding the standardization of processes, a second challenge, there was a standardization of all those held by the Center, with a subsequent full review after the acquiring Delta. Everything was recorded in the system, all through an intranet. All of SSC processes ended up having an SLA (Service Level Agreement) defined and a flow designed and constantly updated (I1).

The third challenge, which was considered by top management as the most important, was the support to the company's growth, which in 2005 had revenues of BRL 5 billion. There was a projection of BRL 10 billion in 2009, a figure that was surpassed as soon as in 2007. In 2011, the company reached BRL 25 billion and in 2012 it planned to stay close to BRL 28 billion. The company's strategic planning projected for the year 2015 a revenue of BRL 50 billion. It was a significant growth by global standards and management was based on the fact that all processes of all companies of the group were supported by the Integrated Business Management System, which facilitated the standardization.

The projects for expanding this philosophy outside Brazil extended to the implementation of a SSC in Argentina (connected to the Center in Brazil) and the creation of a 'pilot' in (Portuguese) Madeira Island that would be used to serve Europe. Thus, in the

Tab.2

HR shared services assignments

TRANSACTIONAL	▪ Payment processes (payroll, Vacation, terminations, etc); ▪ Control and legal processes; ▪ Transactional processes of positions and salaries; ▪ Procedures and management of benefits; ▪ Guidelines and procedures for the attraction and selection of personnel; ▪ Budget management, consulting, and training processes; ▪ Management of Scope Areas; ▪ Control and legal proceedings; ▪ Administrative support to Itajaí unit and logistics of materials and the company's deposit bag; ▪ Simplification and automation of HR processes; ▪ Management of executive vehicles and vendors; ▪ Management fixed line and mobile telephony; ▪ Management travel logistics; ▪ Management of corporate websites; ▪ Third-party management (evaluation and documentation).
TRANSFORMATIONAL	▪ Design and development of training and development processes; ▪ Support the training needs survey aligned with the company's strategies; ▪ Attraction and retention of employees of CSC; ▪ Integration between the scope areas and the CSC.

Source: Adapted from Alpha (AlphaDoc02).

Center Director's view, the challenge of supporting the business growth was performed in a perennial form.

In 2012, the SSC had a structure that comprised the areas of Finance, Controlling, Human Resources and Service, with 1,600 employees (500 them locally acting in the units). Its monthly volumes covered the management of 3000 export processes, 200 tons of exported products, two thousand legal contracts, 60 million accounting entries, the administrative process that supported the amount of 157 million birds, among hundreds of other processes. The company's HRSSC area is divided in Human Resources and Utilities. The HR area is responsible for payroll processes, labor routines, compensation, benefits and training routines. In addition, it performs practices of attracting and selecting people, training and developing the entire company (below the managerial level) and local support in the sale subsidiaries of Brazilian cities of São Paulo and Curitiba.

Below is presented, in Table 2, the transactional and transformational assignments (Ulrich, 1995; Ulrich & Grochowski, 2012).

In 2012, the HRSSC would manage 200 thousand health insurance plans, 9 thousand fixed third parties, 200 outsourced service companies, 7 thousand vehicles and 10 thousand lines of mobile phone. Every month, its scope would involve making 9

thousand staff movements, processing 120 thousand payrolls, answering a significant part of the 85 thousand online calls (which were divided between TI and HR Help Desks), management of 2.5 million meals, and 3,3 tons of sanitized clothes.

For the Center manager, all that was possible to standardize, measure, put on a production line, even if it was a strategic process, was likely to be carried out by the SSC. "I standardize, it is a routine, I measure, specify goals, set desired gains, they may come" (Interviewee 1).

Because of its importance in structure, the HRSSC area still timidly participates in the strategic decisions through attendance at meetings with the HR Vice President. It is noted that the SSC is seen as a regular area of the company, given that the same general HR policies of the company are valid for the Center. It can be inferred that, at least formally, what is warned by Reilly and Williams (2003) regarding a possible inferiority complex in relation to other business units does not take place. Concerning this issue, Interviewee 3 points out that at the beginning of the Center such a characteristic may have existed because of the way the Center was 'sold' to the company.

Regarding localization (Cooke, 2006; Ulrich, 1995), the company had in Brazil the local SSCs which would have the role of HR incorporated (Ulrich & Grochowski, 2012). In the regional areas of

production there was an HR manager who was connected to the production Director, but had a functional connection with the SSC. In countries where the company operates, with the exception of projected cases of Argentina and Madeira Island, this relationship was still forming, as some HR transactions were carried out by the SSC, but others by a local employee.

Regarding the expertise of HR (Cooke, 2006; Ulrich, 1995; Ulrich & Grochowski, 2012) some experts (as in labor management) would be allocated in the Service Center, working in heterogeneous (transactional and transformational) teams. The negotiator with the labor union, as well as some specialties, however, was allocated in the corporate of the organization, which is located in the city of São Paulo.

Being an area that directly deals with people and their performance in the organization, it is to be considered that the challenges of implementation and management of Shared Services Center be realized by it. Thus, this subject matter is dealt with below.

5.2 Challenges in deploying and managing SSC and HR management actions

The challenges encountered in the implementation and management of SSC were the most diverse, that is, from the evidence of cost savings to people's commitment in the realization of this model. Redman, Snape, Wass and Hamilton (2007) have speculated that the literature on shared services focuses on three main factors: cost, quality, and change in the implementation and management of the SSC. The first two elements are treated procedurally and with previously defined indicators and reviewed every year. The change of culture and processes, however, is a topic that deserves further development in this case. The SSC was a "change of concept, of the way things were done with different vision, format and methodology. So far this had not been thought about" (I6).

For Interviewee 2, the greatest challenges of the HRSSC implementation were: defining the roles and responsibilities among HRSSC, Corporate HR and local HRs, and mainly to deploy the culture of client versus supplier providing services. Interviewee 5 agrees that the greatest challenge was the change of culture and alignment of processes, without letting anything to be delayed.

Regarding new hires, it is emphasized that there was a search for people studying, open and receptive, without bad habits and especially without those acquaintances that would call directly and say: "You ever always received me, solving my problems. Therefore, this worked out much easier with these people" (I1). Interviewee 6 considers that service from a distance intimidated customers at first, until they could see that the process worked. "In order to give results to the company, we have meticulously taken care of every process. We had several meetings with regional directors, went to them and adjusted what had difficulties" (I3).

One of the challenges for the Center HR management was when it merged with Delta. The company acquired already had a SSC in the Brazilian State of Paraná, which was slowly transferred to the State of Santa Catarina. Fears of layoffs, people who refused to move to another city, complaints about wage disparities, the same position with different salaries, politics, company time, etc., all represented a challenge and gradually was stabilized (I1).

Another challenge was "having two companies of the same size, putting them into a single system, and aligning the culture within them. In addition, it was necessary to recognize what was good in both and make it effective for the current company, creating a new reference" (I6). This question deserved special attention, as the companies had faced fierce competition throughout their existence. "In the beginning, Delta was our competitor. Beta's advocates would not even buy from Delta" (I4) and "I was Beta. My father used to work for Beta, therefore it is a long story" (I5). Aware of this issue, Interviewee 3 would highlight the company's concern in the consolidation in reducing the anxiety of those involved. "We have mapped all activities and standardized the services. In this process we also had a whole adjustment system. We had a project behind it that worked out the company's system and policies" (I3). The company's experience in previous acquisitions and also the personnel ability to change SSC was one of the key factors considered for overcoming anxiety and processes consolidation (I5).

During the process of cultural and procedural change, some human resources practices were changed (review of scopes and liabilities) and programs were adapted or created as the implementation occurred. For Interviewee 2, constantly training the employees in the culture of

service is indispensable. Therefore, in addition to programs that already existed, “for the Leaders hierarchical level we had a partnership with Brazilian network of not-for-profit secondary level professional schools SENAI [Serviço Nacional de Aprendizagem Industrial (National Service for Industrial Training)] by means of the Grupo de Estudos em Serviços Compartilhados (GESC; Group of Studies on Shared Services) and deployed the first MBA in Shared Services in Brazil” (I2). There was also the program ‘Get to know Alpha,’ a program designed at the SSC which consists in visiting the company’s manufacturing units to know not only the process but also the people who are served, to have contact with the customer who is beyond their identification number (I3).

Among the current challenges, the company works with the development of SSC International and the deployment of multi-sites (Europe and Brazil) and others already decided upon such as the deployment of the SSC in Argentina. These activities would associate to matching the SSC Strategic Plan with Alpha-15 – Focus on Internationalization, which entails intensifying partnerships and training in languages at SSC. Among future challenges for HRSSC was the “search for variable remuneration forms aiming to reward professionals with higher productivity and service quality and motivation for professionals to have a career at SSC” (I2).

The company would promote, at the time of research, studies on the creation of a Virtual SSC and an *e-Business* Portal, and the creation of an ombudsperson service for SSC. In the sense that was recommended by Arkin (1999) about the fact that the shared service is able to provide external services to other customers, there is an outsourcing study of processes and/or services to other companies.

Regarding the challenge of creating a team of HR professionals with common interests, business focus, and mutual respect, this requires a dialogue and a shared commitment among HR professionals (Cooke, 2006). The company needs to be constantly attentive to these factors given the cultural differences among the SSC members (which originate from various Brazilian states, such as São Paulo, Goiás, Rio Grande do Sul and Santa Catarina) and service clients, as well as the still apparent tension among the employees from Beta and Delta. Besides, SSC internationalization extends this challenge and involves new learning processes and attitudes.

The SSC and its characteristic of offering less interesting jobs and reduced career opportunities for the HR staff (Cooke; 2006; Cunha, 2011; Redman et al., 2007) are still barriers to be overcome but that are facilitated by the company’s growth and the development of opportunities in the Center, although outside the HR area. Some of the managers (I3; I4; I5) emphasize that they seek to overcome internally the challenges of lack of career opportunities with job rotation and job enrichment within the team.

6. Final considerations

This article has sought to analyze the deployment and management of a Human Resources Shared Services Center in a Brazilian multinational company in a context of consolidation. The company studied was Alpha, one of the largest food companies in the world. By providing an above average growth in their market (food), the company’s strategic planning wished to standardize processes and ensure the implementation and deployment of strategies among the different business units, which was facilitated by the implementation of a SSC.

Regarding the three main factors that led to the creation of SSCs as stated by Redman et al. (2007), it is highlighted that the company was able to meet the cost reduction requirements, increase the quality of services offered and provide support to the change that occurred during and after consolidations. However, as studied by Bergeron (2003), Cooke (2006), Reilly (2000) and Ulrich (1995), some aspects contained within the change deserve special attention since they involve the main barriers to the success of a Service Center. Also highlighted in this case are the wage gap among employees, mainly from the various management policies between the acquired companies, people’s resistance to participate in the geographical changes of locations due to the abrupt change in personal life (Bergeron, 2003) and the career path limitation and the need to attract and retain talents for SSC.

Regarding the consolidations, these increased the complexity of a process which in itself was already robust. They gave rise to socialization efforts, acculturation and perspective adjustments, because even the Delta’s professionals who already worked at an SSC had undergone a process of philosophy adaptation, since the focus of the SSC in Paraná was in centralization. Alpha coordinates and controls its

subsidiaries so that it still needs standardization in terms of human resource practices.

Therefore, Alpha's SSC promoted support to the company's intensive expansion in the years studied, managed and validated the users' satisfaction level and increased the efficiency in the services provided (Cooke, 2006). Furthermore, the standardization effort (Cooke, 2006; Ulrich, 1995; Ulrich & Grochowski, 2012) was driven by the use of integrated management systems, highlighting the importance of technology (Ulrich & Grochowski, 2012) in consolidating HRSSCs.

It should be noted, however, that there are considerable obstacles in deploying and managing HRSSC, as highlighted by Ulrich (1995), Cooke (2006) and Redman et al. (2007). In this case, the largest challenges were related to culture and adaptation during the implementation. The union between 250 former employees and 150 new ones at the time of implementation was not natural and involved learning efforts from both parties. Those who had more 'company time' ensured that the operation would work at all costs, while the younger ones accounted for the low-cost labor in pursuit of learning, made possible by the high qualification rate in the region. If the oldest ones faced challenges to depersonalize the service and treat problems by calls, for the younger ones the difficulty was otherwise, for often there was a lack of empathy with the tips of the operation. At this point, the notes by Redman et al. (2007) about the gap between transactional and transformational activities were not an issue considered relevant, but the distance between the center and the operation, as well as the asymmetry in relation to the culture of services.

Under the current administration, there is a pressing search for professionalizing the services, in the manner suggested by Ulrich and Grochowski (2012), improving the concepts, generating excellence and combining results and productivity to other HR practices (remuneration, career and development).

Among the limitations of this research is the fact that only HRSSC professionals were heard, which can leave out relevant views about the process, such as those coming from managers of other areas, clients and employees of lower-level than the coordination ones. Moreover, the position of the participants heard can influence the report focused on challenges overcome and not those experienced during the

research period, given the role played by the professional at that time.

As part of the future agenda of studying SSCs in Brazil, there is a need to understand over time how the service was being provided, rated and/or maintained by longitudinal studies. Another important aspect to understand is the one related to the contingencies to which the organization is submitted, as well as their influence on each SSC.

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Implementação de um centro de serviços compartilhados de recursos humanos: Estratégia de uma multinacional brasileira em contexto de fusão

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RESUMO

O objetivo da presente pesquisa foi o de analisar o processo de implementação e gestão do Centro de Serviços Compartilhados de Recursos Humanos em uma multinacional brasileira em um contexto de fusões e aquisições. A empresa analisada foi aqui representada como empresa Alpha, uma das maiores empresas de alimentos do país, que nasceu de uma fusão entre as empresas Beta e Delta em 2008. Os CSCs podem constituir uma ferramenta de gestão estratégica de RH que permite um reposicionamento do papel da área, a fim de que seja mais estratégica em nível corporativo e mais rentável no nível operacional. A pesquisa foi baseada em um estudo exploratório e descritivo de abordagem qualitativa. Dentre os resultados, destaca-se o fato de que os serviços partilhados foram estratégicos ao suportar, padronizar e garantir a expansão da empresa. Os desafios encontrados foram associados ao desenvolvimento de uma cultura de serviços e a relação com usuários e a definição do escopo de atividades de RH. Os desdobramentos do processo de gestão englobam a adequação das diferenças salariais entre os funcionários, a limitação de plano de carreira e a necessidade de atração e retenção de talentos e a expansão internacional.

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