



Reinventing human resource management: Business partners, internal consultants and the limits to professionalization

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ABSTRACT

The status of human resource management (HRM) and its standing as a managerial profession has been a recurring concern for practitioners over time. In recent years, a normative discourse has developed which asserts that the path to improved status for HR 'professionals' involves reinvention of their role as 'business partners' and 'internal consultants' promoting enterprise competitiveness. This article examines how HR managers interpret this new role and whether the internalization of this model results in an increase in professional identity. The findings suggest that while many gain greater self-esteem and organizational status from the identity and role of business partner/internal consultant, this does not equate to a broader identity as a member of an HR 'profession'. Two developments are central here. First, the focus on the business partner/internal consultancy role has served to undermine any pretence to a unitary and cohesive occupational identity, as the bifurcation between routine transactional and strategic transformational activities encourages competition *within* the HR profession between different sub-groupings. Second, this strategy of redefinition has reduced the entry barriers demarcating HR activities and facilitated the entry of new occupational groups and rival managerial specialisms.

KEYWORDS

business partner ■ human resource management ■ internal consultant ■ occupational identity ■ professionalization

Introduction

In August 2005, business magazine *Fast Company* published an article which achieved wide ranging comment within human resource management (HRM) circles (Hammonds, 2005). Entitled 'Why we hate HR', the magazine's deputy editor Keith Hammonds presented a damning critique of the HR function's pretensions to strategic influence in business organizations. Like other recent commentary predicting the demise of HRM, the critique was savage, arguing that HR managers contributed little to organizational performance and remained fixated on bureaucratic procedures and administrative minutiae. Hammonds painted a bleak picture for the future of HRM, concluding that the few things HR was good at could be outsourced, and that the strategic contribution HR managers sought was well beyond their capabilities. While such managerial criticism of the HR function has increased in its severity, it is not new. For over 50 years, personnel managers have sought to move beyond their roles as welfare officers and employment administrators to a more central and strategic position in the running of the business organization. For much of this time their attempts at increasing status and recognition as a key managerial profession have been rebuffed by senior managers from rival functional backgrounds in accounting, finance and engineering.

Historical studies of the evolution of different management functions have often emphasized a process of professionalization (Calvert, 1967; Layton, 1971; Willmott, 1986). As Armstrong (1986: 25) has argued, while traditional accounts of professionalism emphasize collegiate control of independent ethical and technical standards, the managerial professions are 'relatively self-conscious specialisms which compete at a group level for access to the key positions of command'. These managerial professions have not only sought to monopolize a chosen area of expertise through conventional accreditation mechanisms, but also emphasize their unique skills in resolving the central problems of the business organization. While some of the managerial professions have been more successful than others in achieving heightened status, there are indications that the demarcations between managerial professions may be breaking down as structural and technological change, and the emergence of new occupational groups encourage a blurring of traditional functional boundaries within and outside organizations (Morris, 2000; Reed, 1996).

The status of the HRM function and its standing as a managerial profession has been a recurring concern for both academics and practitioners over time (e.g. Farndale & Brewster, 2005; Legge, 1978, 1995a). While some

have emphasized the need for the reinvigoration of the HRM profession through a focus on its ethical and social contribution (Kochan, 2004), others have championed the contrasting need for HR managers to better demonstrate their ability to 'deliver value' to managers and shareholders by reconceptualizing their role as 'strategic' or 'business partners' to senior managers (Beer, 1997; Hunter et al., 2006; Kenton & Yarnall, 2005; Lawler & Mohrman, 2003; Robinson & Robinson, 2005; Ulrich, 1997; Ulrich & Brockbank, 2005). Implicit within this discourse is a reinterpretation of the role of the HR manager as less an administrative functionary and more an 'internal consultant' advising on the contribution of people management to firm competitiveness and advocating organizational change (Kenton & Moody, 2003). This process of redefinition is argued to represent the latest in a series of strategies aimed at improving the status of the HR profession (Caldwell, 2001, 2003a).

This article explores how this reconceptualization of HRM has been interpreted by HR managers involved in such new roles, and to what extent this results in an increase in professional identity. Based on a detailed qualitative analysis of the roles, activities and perceptions of a selection of HR managers in large global and Australian firms, the article questions the assumption implicit in much of the normative HR literature that the adoption of a 'business partner'/'internal consultant' model of HRM will result in an increase in the professionalization of the HR function more generally. In particular, the article focuses on how a model of the HR function as a 'business partner' and 'internal consultant' affects the entry barriers demarcating HR activities from rival management functions, as well as the broader occupational identity of HR practitioners themselves.

The article is organized as follows. First, the literature on professionalization and HRM is reviewed, before outlining the research methods employed in the study. The article then examines how a sample of HR managers have interpreted the 'business partner'/'internal consultant' model of HRM and the advantages and problems individuals have encountered in enacting such roles. While there is clear evidence of the adoption of the normative model, the following sections of the article question to what extent this has resulted in an increasing professionalization of the HR function through reference to the broadening occupational backgrounds of HR practitioners and the varying occupational identity of respondents. The article concludes with a discussion of the implications of the study for HRM as an activity and what this might mean for the 'managerial professions' more generally.

Reforming the 'poor cousin': Strategic HRM as a professional project

The expansion of management activities over the last century has resulted in a proliferation of new occupational communities, each striving to improve their status and power (Armstrong, 1987; Fligstein, 1987). A central strategy for many managerial occupations has been the process of professionalization. Functionalist depictions of professions stress the attributes of abstract specialized knowledge gained through formal education, the certification of practitioners via an occupational association, ethical rules, an orientation of client service, and societal recognition of the occupation's authority resulting in significant job autonomy (Goode, 1957). By contrast, critics have focused less on the specific characteristics of a profession, and viewed the concept of profession as the outcome of an occupational strategy aimed at gaining monopoly control over work and exercising power over others (Abbott, 1988; Friedson, 1983; Larson, 1977; Van Maanen & Barley, 1984). As Armstrong (1986) has argued, unlike established professions such as law and medicine, the 'managerial professions' (such as accounting, engineering and personnel), exist largely within business organizations and compete for status and control by demonstrating how their specific expertise links to the resolution of business problems. In these cases, the autonomy and authority of the occupational group relates to its power and status within the business organization, that is, 'to be numbered amongst the controllers rather than the controlled' (1986: 25). Hence there is a paradox regarding the autonomy of the managerial professions, in that to gain legitimacy as experts they must demonstrate to senior managers how their expertise contributes to organizational goals; that they are in effect valuable 'servants of power' (Baritz, 1960). However, to be successful in achieving such authority, these specialisms not only need to identify a key business problem and highlight how their expertise alone can solve it, but in addition must maintain control over their expertise and prevent rivals from usurping or annexing their knowledge. Importantly, issues of professional ethics and altruism appear less central here in attaining organizational autonomy and authority, although such themes are often stressed within the professional associations that develop around such managerial specialisms.

While the concept of HRM as a 'profession' is often asserted by practitioners and researchers (e.g. Kochan, 2004; Ulrich, 1998), the historical development of personnel/HRM highlights an occupation engaged in a process of professionalization, but which has been relatively weak with regard to most of the conventional criteria of a profession. Historical analysis of the rise of the personnel function during the 20th century highlights how

the function grew in popularity in response to changes in labour law, tight labour markets, and employer and state concern over worker morale and productivity (Gospel, 1992; Jacoby, 1985; Wright, 1995). During the 1970s and 1980s, the expansion of the services sector, declining trade union density, and the growing importance of skilled technical employees were also seen as contributing to the emergence of the personnel function (Kochan & Cappelli, 1984; Kochan et al., 1986). However, personnel management suffered in its status as the 'poor cousin' of the managerial professions. As Legge (1978) has argued, personnel managers were engaged in a 'vicious cycle' in which they were accorded a relatively low status by senior and operational managers, failed to be involved in the firm's strategic planning, and when personnel problems inevitably emerged, were hamstrung by the limited resources they were accorded. The marginalization of the personnel function was also related to its welfare work origins and concern with the 'human element', which conflicted with the more hard-nosed approach of production and line managers (Legge, 1978; Watson, 1977). Added to this, the difficulty of demonstrating personnel's contribution to the organizational 'bottom line' was a barrier to senior management acceptance (Legge, 1978; Wright, 1995). The low status of the personnel function was reflected in weak forms of professional organization, which were incapable of controlling entry to personnel work or monopolizing personnel expertise. Indeed, Watson (1977, 2002) notes the ambivalent attitudes of personnel managers to the concept of professionalism, seeing themselves first and foremost as members of the 'management team', although also willing to adopt a professional identity as an additional means of advancement.

The emergence of the discourse of human resource management (HRM) during the 1980s sought to overcome personnel management's poor reputation by promoting a vision of HR specialists as more closely aligned to the strategic imperatives of the firm and accorded a status as a key contributor to business strategy (Beer et al., 1984; Schuler & Jackson, 1987). Proponents emphasized how broader economic changes, specifically the movement towards a 'knowledge economy', necessitated a more strategic approach to the management of human resources (Ghoshal & Bartlett, 1999). However, despite significant promotion by HR practitioners of the importance of their function to business success, critics highlighted the marked difference between the rhetoric and the reality of HRM (Legge, 1995a, 1995b), as well as the limitations of a strategy of professional closure (Farndale & Brewster, 2005). Hence, while the discourse of HRM promoted a more strategic vision, the achievement of such a professional project appeared far more limited in practice, leading some to characterize HRM more as a 'semi-profession' (Hodson & Sullivan, 2002: 300). Recent

developments in information technology and organizational restructuring have provided additional challenges to the status of HRM, with some questioning the function's future viability (Kanter, 2003). For example, the adoption of new information systems offers the potential to increasingly automate and outsource HR activities (Adler, 2003; Conklin, 2005; Greer et al., 1999; Hendrickson, 2003). Others have argued that rather than a wholesale externalization of HR activity, a process of fragmentation and 'balkanization' is occurring in which some HR tasks are separated and outsourced to external providers, while others are delivered internally as a 'shared service' across organizational business units (Adams, 1991; Forst, 1997; Frase-Blunt, 2004; Ulrich, 1995).

The response of HR commentators to these threats to HR's occupational identity, have involved two contrasting discourses of professionalization. On the one hand, writers such as Kochan (2004) have bemoaned the failed nature of the HR profession and argued for the need for a clearer statement of its ethical and social role. This harks back to the concept of altruism as one of the key traits of traditional professions, emphasizing a wider public interest that the profession serves, as well as an external focus beyond the specific interests of the individual or their organization. Hence, Kochan (2004: 134) argues the move from personnel to strategic HRM has involved a realignment of occupational identity from seeking to balance employee and firm interests as 'stewards of the social contract', to more closely aligning with the interests of senior executives as 'partners' in the creation of firm value. In this sense, the move towards strategic HRM is seen as contributing to a deprofessionalization of HRM, in that the occupation loses its broader social purpose and becomes simply an agent of capital.

By contrast, Ulrich's (1997, 1998) depiction of a renewed HR profession overcoming its beleaguered reputation, stresses the importance of an even closer integration with the business organization by delivering 'results' and 'achieving organizational excellence' (Ulrich, 1998: 124). To achieve this he proposes four aspects of HR's new role: becoming a 'strategic partner' with senior and line managers, improving the efficiency of organizational systems and processes, ensuring 'employee engagement' and morale, and acting as a change advocate and agent (Ulrich, 1997, 1998; Ulrich & Brockbank, 2005). This, it is argued, requires a restructuring of the HR function around three key groups: with administrative HR activities being delivered by a 'shared services' group; HR 'business partners' developing closer relations with senior managers and specific business units in the areas of strategic development and change management; and 'centres of expertise' in specific HR activities, such as recruitment or remuneration, providing specialist support to both business partners and shared HR services

(Reilly et al., 2007). Empirical studies of the changing nature of HR roles provide support for Ulrich's interpretation. For example Caldwell's (2003a) survey analysis found a growing proportion of UK HR managers strongly identified with the categories of 'adviser' and 'change agent', over more traditional roles such as 'service provider' and 'regulator'. The increased focus on managing change and improving organizational efficiency also accords with Armstrong's (1986) argument that the managerial professions gain authority not so much through appeals to independent professional standards and collegiate controls, but by demonstrating to senior managers how their expertise can resolve key business problems.

Implicit within depictions of the model of the HR 'business partner' is an emphasis upon consultancy skills (Adams, 1991; Caldwell, 2001, 2003a; Hunter et al., 2006; Kenton & Moody, 2003; Kenton & Yarnall, 2005; Robinson & Robinson, 2005). As an internal consultant, the HR 'business partner' is seen as advising senior managers and facilitating major organizational changes which involve consideration of the key strategic issues facing the business. Depictions of the HR 'business partner' as internal consultant also stress how the legitimacy of this role is based on senior management acceptance of individuals' expertise rather than the power that derives from their bureaucratic position. As a result, advocates emphasize the need for HR managers to develop superior influencing, relationship and networking skills (Kenton & Moody, 2003; Robinson & Robinson, 2005). In operating as an internal consultant, this new model of 'business partner' appears to satisfy many of the requirements for HR managers to achieve heightened status and prestige as a managerial profession. However, as was the case with the earlier promotion of strategic HRM, the extent to which such claims are actually accepted by senior managers is likely to vary. Moreover, appeals to change agency and strategic advice are not necessarily unique to the HR function and may be subject to competition from rival specialisms and occupational groups.

Research method

In designing the study, respondents were deliberately selected as representatives of a particular sub-group of HR practitioners which most approximated the normative model of the new HR 'professional'. Specifically, the study focused on HR managers who identified themselves as 'business partners' and 'internal consultants' or who saw themselves acting in such roles for much of their work. The empirical data for this article, which form part of a larger study on internal consultants' activities and identities, involved

detailed semi-structured interviews conducted with a range of respondents employed in large Australian and global businesses during 2004–2008. Respondents were recruited by targeting organizations identified in Australian professional HR publications as using an internal consulting approach (e.g. the Australian Human Resource Institute's monthly magazine, *HR Monthly*, *BOSS* magazine, and various Australian HR websites). Requests for interviews were directed to the senior Australian HR managers in these companies, resulting in interviews with 33 managers from 27 organizations. Thirteen of these organizations were Australian firms, the others included subsidiaries of US, European and Asian companies (see Table 1). Interviewees included both senior and middle managers operating independently or as part of a larger internal consulting group, and included those engaged in both generalist HR roles as well as more specialist activities such as organizational development (OD), organizational change, training and development, and remuneration and rewards. While members of the HR function, respondents interacted directly with 'client' managers and departments throughout their organizations. This involved identifying and solving HR problems for 'clients', developing and implementing new HR practices, assisting with

Table 1 Details of interview respondents

<i>Name</i> ^a	<i>Title</i>	<i>Organization</i>	<i>Job tenure</i>	<i>Age</i>	<i>Gender</i>
Adam	OD Manager	Pharmaceutical company (Euro MNC)	4–5	35–40	M
Angela	Learning & Development Consultant	Resources company (Aus MNC)	<1	30–35	F
Arnie	Director, People & Performance	Accounting & consulting firm (global partnership)	<1	40–45	M
Barry	Group Manager, Human Resources	Resources company (Aus MNC)	1–2	40–45	M
Betty	Business Improvement Consultant	Equipment hire company (local)	1–2	30–35	F
Bronwyn	Change Consultant	Retail bank (Aus MNC)	<1	30–35	F
Catherine	HR Business Partner	Engineering company (US MNC)	<1	40–45	F
Cherie	Manager, Learning & Development	University (local)	<1	40–45	F
Daniel	Director, Learning & Development Asia-Pacific	Investment bank (Euro MNC)	6–7	35–40	M
Della	National Human Resource Director	Industrial services company (Aus MNC)	4–5	40–45	F
Faye	Human Resource Manager	Insurance company (local)	4–5	45–50	F

Table 1 continued

<i>Name^a</i>	<i>Title</i>	<i>Organization</i>	<i>Job tenure</i>	<i>Age</i>	<i>Gender</i>
Frances	OD Manager, People & Culture	Accounting & consulting firm (global partnership)	<1	35–40	F
Hannah	Group HR Manager, Australia/NZ	IT company (US MNC)	1–2	30–35	F
Kaitlin	HR Manager Asia-Pacific	Investment bank (Euro MNC)	12	45–50	F
Karli	Global Head of OD	IT software company (US MNC)	7–8	40–45	F
Keira	Best Practice Consultant	Automotive manufacturer (Asian MNC)	1–2	30–35	F
Kelley	HR Director	IT company (US MNC)	2–3	40–45	F
Kim	Consultant, People & Performance	Investment bank (Aus MNC)	1–2	30–35	F
Kirk	HR Manager	Industrial services company (Euro MNC)	1–2	35–40	M
Kristen	Manager, People & Performance	Retail bank (Aus MNC)	3–4	45–50	F
Lauren	Organizational Change Consultant	Insurance company (local)	2–3	30–35	F
Leah	HR Manager – Organization & Development	Retailer (local)	<1	30–35	F
Lucinda	Change Manager	Airline company (local)	1–2	30–35	F
Natalie	Learning & Development Manager	Law firm (local)	4–5	30–35	F
Nell	HR Director, Organization & Development	University (local)	1–2	35–40	F
Patrick	Divisional Manager, HR & Strategic Management	Local government (local)	5–6	40–45	M
Peter	Director, Professional Education	Accounting & consulting firm (global partnership)	4–5	45–50	M
Renata	Leader, Culture & Capability	Telecommunications company (Euro MNC)	4–5	40–45	F
Ric	Director, Human Resources	IT company (US MNC)	5–6	45–50	M
Sandy	Human Resource Partner	IT company (US MNC)	4–5	40–45	F
Sophie	OD Director, Asia-Pacific	Engineering consultancy (Aus MNC)	1–2	25–30	F
Susan	Head of Cultural Transformation	Retail bank (Aus MNC)	4–5	40–45	F
Teresa	Human Resource Manager	Consumer products firm (US MNC)	4–5	40–45	F

^a Names have been changed to protect the confidentiality of the interviewees.

organizational change, and facilitating and coaching groups and individuals. Given the focus on occupational identity, the study centred on how these individuals made sense of their own jobs and careers and did not seek the views of line managers and other organizational 'clients'.

The interviews lasted between one and two hours and were recorded and fully transcribed. Questions focused on respondents' educational and career backgrounds, their location within the organizational structure, their role and activities, the nature of 'client' relationships and broader organizational relations. The interviews were supplemented with a range of documents, including organization charts, internal publications and interview notes and memos. Data analysis involved the use of the qualitative software *QSR NVivo* which allowed for an iterative process of coding, hypothesis development, testing and recoding (Crowley et al., 2002). Initially, interview transcripts were analysed by focusing on interviewees' perceptions of their organizational role and interactions with 'clients' and other organizational actors. Later stages of coding involved more focused interrogation of the interviews, documents and memos around specific themes. For this article, this involved a focus on issues of organizational and occupational identity, the varied forms of respondents' expertise, and the way in which their activities and relationships within their organizations contributed to their power and legitimacy as internal experts.

Constructing a desired identity: HR managers as 'business partners' and 'internal consultants'

An initial focus of investigation was to explore what interviewees understood by the terminology of HR 'business partner' and 'internal consultant' and to what extent they identified with these terms as descriptors of their role. Despite debate regarding the usefulness of these terms as official job titles, interviewees in general identified strongly with this normative discourse as a preferred and favourable work identity. Indicative of many respondents, Karli, a senior HR manager in a global IT company, asserted 'we are definitely internal consultants. We treat managers and executives as our clients'. In seeking to unpack what respondents actually understood by the terminology of HR 'internal consultant' several images predominated which strongly reflected the prescription HR practitioner literature (e.g. Ulrich & Brockbank, 2005).

First, respondents emphasized how their role as HR internal consultants and business partners required a change in their relationship with other managers. In particular, many stressed the need to move away from a

'policing' identity of enforcing HR policies, towards the imagery of 'influence'. As Della, the national HR manager in a large industrial services company noted 'the way that you approach your everyday job is influence first, power second . . . it's a fundamental shift as to what your primary approach is'. Indeed, echoing the terminology of Ulrich and other business commentators (Kenton & Yarnall, 2005; Maister et al., 2001; Ulrich & Brockbank, 2005), many referred to themselves as a 'trusted adviser' or 'partner' to their 'clients' (other managers and business units within the organization). As Sandy, an HR manager in a global IT company stated, 'what I most like is the HR partner role, which is very much being a consultant out with the business, working with the business areas and adding value'. Similarly, Angela, who worked in a large resources company, emphasized how her learning and development group were now positioning themselves as 'a trusted adviser versus just being their HR person'.

The imagery of the 'trusted adviser' also suggested acceptance of individuals' expertise at a high level in the organization, with senior managers seeking their counsel on a range of broader, long-term issues. A number of interviewees spoke of how they had been able to build a strong level of trust with senior managers that extended well beyond the narrow confines of HR procedures. In some cases this involved acting as a 'coach', sounding board, or confidant to senior executives in their organization. Interviewees in these trusted positions spoke of the need to challenge accepted wisdom and raise taboos. Hence, Adam, outlined how his role as an OD internal consultant in a global pharmaceutical company often involved playing 'Devil's advocate' with his senior manager 'clients':

I guess my style is to challenge. There was a point where I said, 'come on, let's talk about what's really bloody going on because I'll tell you what, I can see it' . . . So you pick up on what's going on and you 'lance boils' basically.

Aligned to this more elite imagery, and again echoing the language of the normative HR literature (Caldwell, 2003b; Ulrich, 1997; Ulrich & Brockbank, 2005), respondents also emphasized their role as 'change agents' within their organizations, highlighting their ability to implement the senior management vision of a changed organizational culture that would ensure 'employee engagement'. For example, Natalie, the learning and development manager in a law firm, characterized her role in the following manner:

I am a form of change agent absolutely. I am not the sponsor for change. There is the CEO who is really the sponsor for change. The

Executive are champions and sort of directors of the change, and I guess my job is a little bit more implementing the change if you like. Even though I help set the scene and sort of tell them what we should be doing, they decide what to do ultimately.

Respondents also presented their role as change agents in terms of their superior knowledge of external practice and their capacity to act as a bridge between their organization and 'leading edge' methodologies in other companies. As Sophie, an OD manager in a global engineering consultancy stated, 'I see it inherently in my role that I should be trying to bring best practice into this business'.

A further element of the HR internal consultant role emphasized by many respondents was their 'boundary-spanning' activities, specifically their ability to move between organizational sub-units and functional and operational divisions. This structural ambiguity was presented as further highlighting the individual's organizational status, self-sufficiency and independence. For example, several respondents stressed the importance of their organizational mobility, interacting with their 'clients' rather than being 'tied' to the office. As Sandy stated

I'm not sitting behind a desk in an ivory tower, hidden . . . I'm very mobile, so if I need to be in another location, the car is under the building and I move, so I'm mobile and truly like a consultant.

In a similar vein, Sophie highlighted how her relationships with the firm's regional Asia-Pacific managers often required extensive overseas travel which she would undertake on a largely autonomous basis.

The imagery of the 'trusted adviser', 'change agent' and 'boundary spanner' highlighted a more elite and high status interpretation of HR work that closely paralleled Ulrich's model of the new strategic HRM (Ulrich, 1997, 1998; Ulrich & Brockbank, 2005). Unlike the traditional image of the personnel functionary focused on administrative process and lacking in organizational status, the preferred model of the HR internal consultant emphasized a close, 'partnering' relationship with senior executives, an almost heroic role as a 'champion of change', and a high degree of task autonomy and discretion. However, respondents were also quick to acknowledge the barriers that often prevented the achievement of such a desired identity. For instance, gaining senior management patronage was seen as something that required significant interpersonal skill and investment over time, and that was often subject to the vagaries of organizational politics. In

addition, not all HR work lent itself to the more strategic, change-oriented agenda that respondents highlighted as their preferred approach. In particular, much day-to-day HR work involved established activities which, while not as fashionable as change-oriented work, were still essential to the daily operation of the business enterprise. Hence Della argued:

I'm a revenue driven human resources person who's managing a series of projects that mean that people get hired, trained in the skills they need, they are attracted and they are retained to the organization for the right reason. There's nothing about change in that, it's a maintenance role. So I can be an internal consultant in a maintenance role and most internal consultants are in a maintenance role.

Indeed, acting as a 'business partner' could also often entail increasing demands from internal 'clients' not only for strategic advice but also more mundane HR services. As Frances noted:

We're trying to establish those business partner type roles, and from my own experience that's been quite painful and quite hard to get to, because you've also then got a client group that equally still want their own [HR] person and the 'one stop shop' for everything.

For many respondents then, the attractions of identifying and being accepted by others as an 'internal consultant' related to the potential to reinterpret HR work as a more valued and strategic activity than hitherto had been the case. This parallels Watson's (2002) observation of an individual discourse of 'professionalism' or 'being professional', which highlights issues of competence, objectivity and experience based expertise (see also Kitay & Wright, 2007). The rewards to individuals as HR internal consultants included not only what they perceived as more interesting and exciting work, but also access to, and acceptance of their worth by senior managers, which could lead to improved careers and salaries. However, attaining such status was by no means certain and the reality of much HR work often contrasted with the desired imagery of 'strategic advice' and 'change agency'.

New entrants: Occupational competition for HR roles

While broadening the ambit of HR work as 'strategic', 'change focused' and 'boundary-spanning' was seen as advantageous by many of those

interviewed, it also served to open up 'people management' activities to competition from rival functional and occupational groupings. For example, investigating the educational and career backgrounds of the interview respondents revealed that far from a unified occupational community (Van Maanen & Barley, 1984), HRM as an activity appears riven with divisions between specialist and generalists, as well as between career HR practitioners and newer entrants from emerging occupations. In part these trends highlight an occupational field with minimal barriers to entry. Few, if any, respondents acknowledged professional accreditation or specific educational criteria as important entry ports to their jobs, and while many did have tertiary qualifications in HRM, many others had come from other disciplinary backgrounds such as engineering, science, marketing, law and operations management. Indeed, some of the most successful and senior individuals stressed practical and career experience outside of traditional HR work. Hence, Ric, the Asia-Pacific HR Director for one of the world's largest IT companies, highlighted how he had come to HR work relatively late in his career after 15 years working in the core sales function of the organization. Importantly, he argued his years in sales made him a more effective HR manager through his understanding of the business activities of the firm and his ability to speak the language of line management. Similarly, Kaitlin, the human resource director of a global investment bank, outlined how she had moved into HR work after 10 years as an operational improvement analyst in a large insurance company. At a lower level, Kirk, an internal HR consultant in a multidivisional industrial services company, emphasized the advantages of time spent outside of the HR function running a business unit as an operational manager, which gave him a keener appreciation of financial and business drivers:

Understanding the financials of the business, and every HR person that you talk to today will say 'We're all about the numbers, we know the numbers' – it's just bullshit, they don't. Most of them wouldn't even know the back end of a P&L if they saw it. They may be able to look at it and they may be able to say 'Yeah, look that's the loss and that's the profit' but the key skill becomes how do you influence that? What actions actually change those numbers? They can all talk about this, but that's the key.

This emphasis upon a broader business logic in preference to HR specific skills was also highlighted by senior respondents who outlined their preferences when hiring graduate employees. As Catherine, the HR business partner in a global engineering firm, stated:

I'm not looking for HR qualifications. I'm looking for business qualifications with an interest in HR . . . I mean let's face it, HR is just a number of processes, it's not hard to learn them. I can teach anybody how to do it and hand-hold through that. But I can't teach business acumen.

One occupational group that was strongly represented amongst this new iteration of internal HR consultants were former management consultants. Indeed, just over half of the respondents had some previous experience in external consulting roles, either working in small or solo HR-oriented consultancies or as employees in large global, general and IT management consulting firms. These individuals appeared to be in particular demand by large organizations for the skills and expertise they could bring to their new host organizations. In particular, consulting skills such as project management, client and change management were seen as particularly valuable by many of the more senior HR respondents. For example, Faye, the human resource manager of a large insurance company outlined how in establishing a new internal OD consulting group, she deliberately recruited former consultants from the change management practices of the major management consultancies. Many of the interviewees were well aware of the desirability of consulting experience. As Kim noted in describing her move from a leading management consultancy to the HR function in an investment bank:

. . . they seemed to think that the skills that I'd learnt in [consultancy name] in terms of being able to take a project and turn it into an outcome were valuable. I remember in the interview I had with them, that's what I wanted to do. I wanted to be able to see a project through to its end. So they seemed to like that.

However, while many former consultants were engaged within the HRM function of their organizations, their work identity appeared more closely linked to consulting than their functional focus on HR-related issues. As Renata, a senior HR manager in a telecommunications company acknowledged, ' . . . at heart I'm a consultant and I suppose my thinking is that I'll go where there's good consulting work to do'. Former consultants also stressed an integrative vision of management expertise that downplayed a unique HR identity. Indeed in some cases, respondents' roles and structural locations conflicted with mainstream HR work. Where individuals were involved in large-scale organizational change projects (such as the implementation of enterprise IT systems or a corporate culture change initiative), their structural location was sometimes separated from the HR function within a specific

cross-functional project team. Here the potential rivalry with the mainstream HR function could become pronounced as the older established HR 'locals' fought for resources and influence with these new consulting 'cosmopolitans' (Gouldner, 1957). For instance, Betty who had come to her current organization after an operations management degree and working for several years with a large consultancy, commented on the tension between her role as head change agent in a process improvement team involving employee training and communications, and the company's HR function:

For example, the Human Resource Department here, there's no interest in dealing with us at all, so there are some people who are very cold . . . I still can't work it out with HR. It is very common; it happens at all the companies I've been in. Change Management and HR – I've never seen a great working relationship there.

Former consultants therefore represented a new occupational group which were increasingly engaged in HR-oriented work and potential rivals to more traditional HR administrators. Their attractiveness to senior managers lay in their 'cosmopolitan' identity and perceived ability to bring with them new knowledge and 'cutting edge' practice. Importantly their skills in the consulting process also linked neatly to the desired identity of strategic transformational HRM, as opposed to the more traditional image of HR as a transactional, administrative activity. More importantly still, many of these former consultants had developed their consulting skills within the context of HRM activities, most notably through 'change management' methodologies focused on the people-side of large-scale organizational change (e.g. mergers and acquisitions, new IT software implementations, operational and cost improvement projects) (Worren et al., 1999). The re-invention of HR managers as 'internal consultants' therefore seemed to favour these newer entrants, whose consulting skills better enabled them to converse with senior managers in the language of business and apply their HR expertise to this broader context.

On the inside looking out: The limits of HR professional identity

To what extent then has the recasting of HR managers as internal consultants and business partners resulted in a reinvigoration of their broader occupational identity as an HR 'profession'? Here again the data suggest that

amongst this sub-group of HR managers, seeing oneself as an internal HR consultant or HR 'business partner' does not appear to increase occupational or professional identification.

For most respondents, membership of external HR professional associations was seen as irrelevant for their organizational role and of limited use for their broader personal and career development. While over half of the respondents acknowledged their membership of the national HR association, none were active members and nearly all were strongly critical of the association and its lack of relevance. As Adam outlined: '[the association] doesn't provide anything, it doesn't do anything. It holds a conference once a year, sends out some paraphernalia, but ultimately it's not a credible professional association as far as I'm concerned'. Similarly, Karli, noted how she had joined the association but 'I don't think I've ever gone to anything in the whole 20 years'. In a similar vein, Arnie, the HR Director of a large professional services firm, criticized the HR association as consisting of 'too many consultants who are trying to sell to you' and if 'you're not dealing with people with integrity, then there's no point dealing with them'. For many interviewees, the professional HR association was seen as not only lacking in the character of its membership but also in its dated image of HR work, based on the negative administrative identity of HR work which they sought to distance themselves from. Interestingly, such perceptions have persisted despite the professional association's recent advocacy of a prescriptive HR internal consulting model (Dainty, 2007).

Where respondents did acknowledge external occupational allegiances, these tended to be of a more informal character and emphasized distinct occupational sub-groups in terms of hierarchy or expertise. Hence, several of the more senior interviewees talked about their involvement in small groups of HR Directors that met on a regular basis to socialize and discuss issues of interest. Typically, these groups were characterized as an elite that was contrasted with the formal HR association. As Arnie outlined:

I have one specific networking forum that I do spend a bit of time with, and the reason I do that is because of the quality and standard of my colleagues in that area . . . There's about 12 of us. We meet once every six weeks . . . We have people coming in and present to us, so we've had a number of different presenters, including many from universities around particular topics.

Indeed, the move towards the discourse of HR internal consultancy and change agency, appeared to have encouraged the emergence of a range of

defined occupational sub-groups. For example, those interviewees who worked in the sub-field of Organizational Development demonstrated a particularly strong occupational ethos, developing their own networks which were commonly presented as distinct from the broader field of HRM. Typically, these informal networks consisted of friends in other organizations in similar roles as well as external consultants who had developed a relationship as a trusted source of external expertise. Hence, Daniel talked about how he would regularly socialize with other OD managers and consultants as a form of 'emotional support' and discuss new techniques and research. Such networking was seen as distinct from his interactions with generalist HR managers, 'we don't want to play with them. We want to get in our own little huddle and do our own stuff'.

For others, informal peer networks of former work colleagues and those they had met through postgraduate education were of significant importance to their social identity as members of a broader occupational group. As Barry emphasized, 'I think the informal connections are far more valuable to me than any kind of formal affiliation, so I don't have a particular affiliation to any profession at the moment'. In particular, those respondents who had worked previously as management consultants in large practices continued to interact regularly with their former consulting colleagues, using these networks as a source of personal interaction, group identity, as well as social capital and career advancement (Lin, 2001; Martin, 2005). As Sophie outlined of the 'alumni' of her former consulting colleagues:

I know when other jobs are around. I know what people are getting paid so I know my salary in the market. I know who is a good external facilitator. I know who's had bad experiences with other companies. I know if some of my friends are working in other companies I can get cultural insider information from them and I give them the same so that we can compare what we're doing and how we're doing it.

Interviewees' external networks and affiliations therefore reinforced the vision of the HR occupation as fragmented and lacking any form of significant occupational closure. The major HR association was viewed by nearly all respondents as weak, lacking in relevant expertise and made up of practitioners of lower standing. In contrast, where individuals did network and form broader social identities based on their work, these tended to be more informal and focused on defined occupational sub-groups such as Organizational Development, as well as rival occupations such as management consulting.

Discussion and conclusion

The recasting of HR managers as 'business partners' and 'internal consultants' highlights some of the paradoxes and contradictions of contemporary managerial work. On the one hand, as respondents to this study highlight, the rhetoric and discourse of business partnership and internal consultancy clearly links to the main elements of the new strategic HRM (Ulrich, 1997, 1998; Ulrich & Brockbank, 2005). Rather than being seen as a 'service provider' or administrative functionary, most of the respondents to this study emphasized the imagery of 'trusted adviser' and 'change agent' which stressed a more strategic focus and increased organizational legitimacy (see also Caldwell, 2003a). In line with Armstrong's (1986) interpretation of the 'managerial professions', the HR internal consultant as 'strategic adviser' emphasized a concern with the central problems of the business organization rather than HR issues per se, and for nearly all respondents this was seen as a more desirable identity to the traditional vision of HR manager as a bureaucratic functionary. Indeed, for some respondents, this preferred identity resulted in greater organizational status and legitimacy, although such claims were often contingent and highly variable.

More generally however, while the adoption of the discourse of 'business partner' and 'internal consultant' did allow individuals to appeal to senior managers as valued 'servants of power', this process also revealed a contrasting deprofessionalizing dynamic. First, those respondents which accentuated this trend appeared the most dismissive of any broader professional/occupational ethos. While it is entirely possible for individuals to maintain both strong organizational and professional identities (Zabusky & Barley, 1997), respondents to this study who had successfully attained organizational legitimacy largely rejected identification with a broader HR 'profession'. Second, where an occupational affiliation was expressed by respondents, this was not so much directed to HRM as a generic occupation as to sub-specialisms (e.g. organizational development), or to rival occupations altogether (most notably management consulting). Invariably, membership of the HR professional association was disparaged or dismissed as the province of those HR managers who epitomized the less desirable administrative identity, or who had been retrenched and were seeking to eek out an existence as self-employed consultants. That is, membership of the HR professional association represented the antithesis of the desired strategic identity they sought as 'business partners' and internal consultants. As a result, the adoption by HR managers of the identity and role of internal consultant could prove advantageous for individuals' career and organizational status, however this did not appear to accord with advocacy for a

distinct HR 'profession'. As has been noted, this concurs with Watson's (2002) observation of a discourse of 'professionalism' which emphasizes individual expertise and competence, rather than a broader occupational identity.

Moreover, the movement towards HR managers identifying as 'business partners' and internal consultants also appeared to contribute to a further dilution of occupational identity by muddying the boundaries of HRM expertise. As we have seen, HR managers in internal consulting roles came from diverse educational and occupational backgrounds, and this diversity appears to be increasing. New occupations, such as management consultancy, highlight the way in which traditional functional demarcations are breaking down (Kitay & Wright, 2007). Indeed, a significant number of respondents to this study had previously worked as management consultants and built a varied skill base that proved more attractive to their employers than more traditional functional HR expertise. The emphasis amongst respondents upon 'consulting skills' such as client and project management, highlight the increasingly porous occupational boundaries of HR work, in which rival functional groups are now undertaking activities traditionally the preserve of personnel and HR managers. Hence, as we have seen, managers with varied functional backgrounds in operations, information technology, or marketing and sales may move into internal consulting roles which fulfil many of the aspects of Ulrich's (1997) future vision of strategic HRM (specifically strategic advice, boundary-spanning and change agency). The data in this study suggest that in the 'turf war' for control over the management of people in organizations, individuals from these rival occupational communities appear to be more successful in gaining senior management legitimation; symbolized in the consulting discourse of 'change management' (Worren et al., 1999). As a result, in contrast to the literature on professionalization which stresses an occupation's monopoly control over its expertise, the adoption of the idea of HR managers as 'business partners' and 'internal consultants' appears to further open up HR work to rival functional groups.

Clearly the focus upon a limited number of HR internal consultants working in large firms suggests care should be taken in generalizing these findings to HR managers more generally. As noted earlier, rather than seeking a representative sample of HR managers, interviewees were deliberately chosen as examples of a particular type of HR manager which most closely approximates the discourse of the new HR 'professional' (Ulrich & Brockbank, 2005). Moreover, the focus on the Australian context raises questions regarding developments in other countries where HR professional associations may have developed more effective barriers to entry and the level

of professional identity of HR practitioners may be more developed. Interestingly, despite national variations in HR professional associations in areas such as accreditation, existing studies suggest a similar ambivalence amongst HR practitioners to professional identity (see, for example, Watson, 2002).

Overall, the findings of this study suggest tough times ahead for HRM as a distinct functional specialism within business organizations. While the concept of an 'HR profession' is often asserted, data from this study suggest little allegiance to a defined HR occupational identity amongst those we would expect to be its strongest advocates. Moreover, the reinterpretation of the HR manager as an 'internal consultant' providing strategic advice to senior managers, advocating organizational change, and focused on 'adding value' appears to have further opened up HR activities to increased competition. Rather than acting as a form of occupational closure, the rhetoric of business partnership and internal consultancy appears to have further diluted occupational identity, reduced entry barriers and encouraged the entry of rival functional groups. These trends suggest further forms of occupational fragmentation to those already identified as threatening the HR 'profession' (Caldwell & Storey, 2007). As a result, while the management of human resources appears increasingly important for value creation in service-based economies, the reinvention of HR specialists as internal consultants appears counter-productive in furthering the occupation's historical desire for improved professional status.

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