Concurrent and disconnected change programmes: strategies in support of servitization and the implementation of business partnering

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Abstract:
For many leading engineering companies, the integration of services into product offerings is seen to comprise an important shift in the underlying business model. This movement has been termed the ‘servitization of business’. Within this debate, however, scant attention has been given to the human resource (HR) implications of servitization. An exploratory case study illustrates the HR challenges associated with servitization and the way in which these interact with a concurrent change programme concerned with the implementation of ‘business partnering’. The findings highlight the emergent complexities resulting from these two change programmes being rolled out simultaneously. Although contested across different divisions, the shift to servitization continuously disrupts the implementation of business partnering with little alignment between the two espoused initiatives. Furthermore, the rate of strategic change within the company in response to changing markets continuously acts to erode the coherence of the acclaimed move to business partnering. In consequence, the HR policies and practices struggle to maintain contact with the company’s strategic direction.