



# Impacts of the change of reporting line of the Human Resource function from central to local on its strategic value, the transfer of practices in its community.

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## Résumé

Using the case of the EMEA regional headquarters and subsidiaries of a Japanese Multinational Corporation (MNC), this document researches the effects of the decentralisation of the Human Resource function by a change of its hierarchical reporting line. It shows the impacts this change will have on the transfer and localisation of a choice of practices, the strategic value of the function and the overall HR community.

The results of the case study show that the change of reporting line will not necessarily increase the need for more localisation but may even increase the request for more centralisation of certain practices, with the necessity of differentiating between the various steps of the practices transfer to understand its full effect. It also discusses that the strategic value of HR might increase in terms of contribution to the MNC's business objectives but that this will highly depend on the profile and mind-set of key central and local actors. Finally, the study argues that the biggest impact will be on the HR community where we will see a change of role of the centre of expertise, of the HR directors and where some risks will emerge linked to the independence of the function and the career opportunities within HR with a possible alienation of the function and the challenges linked to the devolution of part of the activities to the business.

## Mots Clés

International Strategic Human Resource Management ; Strategic Human Resource Management ; centralisation ; decentralisation, Human Resources strategic value ; Human resources community ; Multinational Corporation ; Human Resources Practices Transfer