The history of HR within ING in the Netherlands.

“Can organizations learn from their past?”

Martine Schreurs∗
Tilburg University

Organisations operate in an environment that is dynamic and in which increased competition and new legislation are just a few examples of changes that the organisation has to deal with. This article explores how an organisation can deal with these rapid changes by looking at how the organisation handled changes in the past. This study uses the Contextually Based Human Resource Theory by Paauwe (1994) to do a force field analysis of ING within the Netherlands, one of the largest financial institutions worldwide. Two contextual dimensions and an organisations administrative heritage relate to strategic choices made about HRM within the firm. Developments in HR literature, and the influence of these developments on the HR function within ING in the Netherlands, are also studied. Data are collected through a literature study, document analysis and 18 interviews. It can be concluded that it is important for ING to create a historical awareness. By learning from events happened in the past, organisations can create an institutional memory, which they can use to handle issues in the future.

We live in a world in which we are constantly confronted with change. Companies today need to be fast growing, efficient, profitable, flexible, adaptable etc. because without these qualities it is virtually impossible to be competitive in today's global economy (Schuler & Jackson, 2001). Organisations operate in an environment that is dynamic and in which increased competition, globalization, new legislation, social and demographic developments and union influence are just a few examples of changes that the organisation has to deal with. One way of dealing with these rapid changes is looking at how the organisation handled changes in the past. “The need for organisations to become learning organisations or learning companies has been asserted by many commentators as one response to the increasing organisational challenges” (Altman & Iles, 1998). Learning from past experiences can offer possible future scenario's the organisation can take into account when dealing with changes. According to Levitt & March (1988) “organisational learning can be viewed as routine-based, history-dependent and target-oriented”. Routine-based learning involves matching procedures to situations, routines are based on interpretations of the past and organisations are oriented on targets. Within such a framework, Levitt & March (1988) view organisations “as learning by encoding inferences from history into routines that guide behaviour”. The way in which an organisation has handled change in the past gives it a unique history, embedded in routines, systems and core values. Routines are independent of individual actors who execute them and can therefore survive turnover in individual

actors (Levitt & March, 1988). This can lead to a sustained competitive advantage because history is something that is not easily imitated by competitors (Barney, 1991).

This research has been conducted for the HR department of ING in the Netherlands. ING is a multinational that offers its clients a synergy between banking and insurance activities. Currently, their mission statement is; “Set the standard in helping our customers manage their financial future”. ING Group was formed in 1991 with the merger between the banking company NMB Postbank Group and the insurance company Nationale-Nederlanden. Through the merger, Nationale-Nederlanden and NMB Postbank Group could build their financial power because of their combined expertise and therefore they were able to strengthen their market position in Europe and other important international markets (Bedrijfshistorisch Archief, 2004). ING has grown enormously since the merger and with 114.000 employees worldwide, approximately 33.000 work in the Netherlands, ING is one of the 20 largest financial institutions worldwide and ranked in the top 10 in Europe (www.ing.com; 2006). This research will focus on the HR department in the Netherlands. The mission of HR in the Netherlands, based on the Group HR mission, is as follows: “Position ING as one of the three best employers in the Netherlands and develop HR Netherlands as one of the top three HR organisations in the Netherlands”. For the period 2005-2007, HR in the Netherlands also developed strategic priorities to accompany this mission; client first, best-in-class cost performance, consistent quality of service. Examples of how HR within ING in the Netherlands planned to meet these priorities are; increasing client satisfaction, repositioning performance management, reducing costs, professionalizing the HR workforce and integrate compliance issues in the HR Netherlands organisation. In relation to current economic and business developments in the Netherlands they added two additional priorities: managing for value of human capital and adding value to the business. Of importance in this respect are; inspirational leadership, diversity, fair deal, mobility, employability and quality and efficiency of processes.

**Research question**

The focus of this research is on the history of HR within ING in the Netherlands since 1990. Since then, ING has gone through some major changes like the merger between NMB Postbank Group and Nationale-Nederlanden, acquisitions of firms like Barings and a change in the organisational structure from a regional focus to a focus on business lines. This research will focus on the institutional environment in which ING NL operates; there will be a special interest in changes like a new collective labour agreement, union actions and legislation. In what way do changes in the institutional environment influence the HR function of an organisation? Looking at what has happened to the company through these years might help ING make future strategic decisions in times of changes, based on lessons learned from their history. This research also provides ING with information about how they handled changes in the past, and how they sustained the competitive advantage of their unique synergy between banking and insurance activities. The aim of this research is to provide insights into ways of learning from the recent history of HR within ING in the Netherlands.
The following research question can be drawn from the above:

“How has HR developed within ING in the Netherlands since 1990?

Sub questions:
1. What is the influence of the institutional environment on the development of HR within ING in the Netherlands?
2. What lessons for the future can be drawn from this?”

Theoretical Framework

In the following section the theoretical framework on which this research is founded will be presented and explained and the research design for this study will be presented.

First of all, a framework is needed that incorporates internal factors that can be seen as the unique historical heritage of the firm and external influences the firm has to deal with. The framework that was used in this research will be explained in the next section.

The Contextually Based Human Resource Theory

A theory that encompasses both internal as well as external influences is the Resource-Based View of the firm by Barney (1991), which incorporates the internal assessment of a firm’s strengths and weaknesses and the external analysis of the firm’s opportunities and threats in its environment. According to Barney (1991) there are four criteria for organisational resources to sustain competitive advantage; resources have to be valuable, rare, inimitable and non-substitutable. Paauwe (1994; 2004), states that “people encompass these general assumptions of the RBV”. In 1994, Paauwe, inspired by Barney’s RBV, introduced the Human Resource Based Theory of the firm, which in 2003 was renamed the Contextually Based Human Resource Theory (CBHRT). Paauwe (1994; 1996; 2004), claims that there are two environmental dimensions that have an influence on the shaping of HRM within an organisation. There is the influence of product market combinations and the appropriate technology (the PMT dimension). According to Paauwe (2004) demands within this dimension are expressed in criteria like effectiveness, efficiency, flexibility, speed, quality and innovation. This dimension represents the economic rationality of national and international competition. Dimaggio and Powell (1983) refer to a concept that relates to the PMT dimension; “competitive mechanisms”. According to Dimaggio and Powell (1983) organisations are influenced by their external environment, competitive isomorphism is a system rationality that emphasizes market competition, niche change and fitness measures.
However, according to Dimaggio and Powell (1983) this view does not fully explain the modern world in which organisations operate. According to Dimaggio and Powell (1983) organisations “not only compete for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness”. They claim that in practice, competitive mechanisms are complemented with institutional mechanisms. There are political influences (legislation and Central Labour Agreements), issues of fairness and legitimacy and a cultural expectation in the society, an organisation has to deal with (Dimaggio & Powell, 1983). In the model by Paauwe there is a similar dimension. Paauwe (1994; 1996; 2004), claims that “the so-called free market is embedded in a socio-political, cultural and legal context” (the SCL dimension). In incorporating the appropriate values and norms into the organisation, the firm does justice to criteria such as fairness and legitimacy. Paauwe (1994; 1996) refers to fairness as a fair arrangement in the agreed exchange between the individual employee and the organisation as an employer. Legitimacy refers to the same elements, but the parties involved are relevant stakeholders, and not individuals.

Figure 1: The contextually based human resource theory (Paauwe, 1994).

Next to these two dimensions that influence HRM, Paauwe claims that configurations that formed in the past have an influence on HRM as well. Bartlett and Ghoshal (1989) refer to the concept of administrative heritage, “the influence of structures, methods, competencies, values and so on, which originated in the past and can still be considered as an important influential factor in continued organisational structuring, including the structuring of HRM” (in Paauwe, 1996). In this respect, Barney (1991) refers to unique historical conditions. Barney claims that firm resources can be imperfectly
imitable for three reasons, one of them being unique historical conditions. According to Barney (1991) the RBV asserts that organisations are “intrinsically historical and social entities, but that their ability to acquire and exploit some resources depends on their place in time and space”.

Both institutional and market mechanisms and configurations formed in the past, influence the dominant coalition and the room they have to manoeuvre and make strategic decisions. These mechanisms and configurations might also lead to unique approaches in HRM. According to Paauwe (2004), the dominant coalition is involved in shaping and selecting HRM policies and practices. This coalition is made up of a number of actors; examples are the management team, work councils and the human resource department. These actors all have their own values and norms by which they operate. Paauwe (1996) claims that “whether the human resource department is really part of this coalition depends on its perceived credibility and professional capabilities in the eyes of its main stakeholders”. Circumstances like the financial health of the organisation, market strategy and the rate of unionisation influence the degree of leeway the members of the dominant coalition have in making strategic decisions.

The Contextually Based Human Resource Theory will be the conceptual model for this research. It will be used as a force field analysis of the history of HRM within ING. This theory is useful for this research into the history of the HR department of ING in the Netherlands, because of its view of a configuration (unique historical conditions) that determines strategic decision making process in an organisation. The Contextually Based Human Resource Theory is also used because this research had to be split into two parts. It was conducted in association with another student; she has focused on the economical context in which ING operates (the PMT dimension). I have focused on the socio-political, cultural and legal context of the organisation (the SCL dimension) with regard to the business and HRM.

**Human Resource Management**

Next to internal and external influences within the environment in which an organisation operates, literature can be of influence on the development of HR within an organisation. Keegan and Boselie (2006) discuss the acknowledgement of “the potentially powerful role of academic journals in shaping HRM knowledge construction”. In recent years there have been some important shifts in the field of HRM. In the following section an historical overview of these shifts will be given. The literature discussed in this section is not an exhaustive review; it only presents the most important issues within the field of HRM.

In the 1960’s and 1970’s the management of personnel evolved from personnel administration into personnel and social policy (Paauwe, 1996; Looise & Paauwe, 2001). Guest (1987) identified three ways in which human resource management was used in the 1980’s. Firstly, personnel departments changed their name to capture the new fashion. Some, on the other hand, used human resource
management as a way to re-conceptualize and re-organize personnel roles. The third approach views HRM as distinctively different from personnel management, the focus is on the integration of human resources into strategic management and on a full and positive utilization of these resources (Guest, 1987). Normative models, like the model by Guest (1987), characterize Human Resource Management in the 1980’s and early 1990’s. According to Boselie (2002) normative models focused on “performance of an organisation, strategic integration and line management involvement”.

**HR and performance**

Paauwe (1996) claims that HRM in the Netherlands only became well established in the early 1990’s. There was an increased focus on the relationship between HRM and performance. Several empirical studies have found results that the effective use of HR practices can enhance firm performance (Huselid, Jackson & Schuler, 1997; MacDuffie, 1995). In the late 1990’s the general discussion was more about how the role of the HR function as a strategic partner of the organisation can be fulfilled. This debate leads back to the question of how the HR function can add value to the organisation. Based on this focus, Boselie and Paauwe (2005) see an increased interest in the roles and competencies the HR function should posses in order to add value to the organisation (Huselid et al., 1997, in Boselie & Paauwe, 2005).

**HR roles**

In 1997, Ulrich adds a practical perspective to the above view and argues that the focus of the HR function should be on the contribution to the business. Ulrich (1997, in Buyens & de Vos, 2001) claims that “the value of the function is not defined by what happens inside it, but what its customers receive from it”. Ulrich (1997, in Caldwell, 2003) has defined four main competencies HR professionals should posses: business knowledge, HR state of the art, change and processes, credibility. From these four competencies he distinguishes four roles in which the HR function creates value for the organisation. The roles defined by Ulrich (1997) are: Strategic partner, Administrative expert, Employee champion and the Change agent.

**Involvement of line management**

In the late 1990’s, the debate about who is responsible for which HR related tasks started. According to Ulrich, the different activities that are linked to the HR roles can be allocated to different parties within the organisation (Ulrich, 1997). Schuler and Jackson (1996) too emphasize that human resources should not be managed just by the human resource department. They claim that the line manager is accountable for the task of managing people, and work in partnership with the HR function which has specialized knowledge and skills (Schuler & Jackson, 1996). Guest (1987) distinguishes four main dimensions of HRM. One of these dimensions is the integration goal. A part of the ‘integration goal’ by Guest (1987) too, is that of the integration of HRM into line management. Guest (1987) argues that “line managers must accept their responsibility to practise human resource management although they may use specialist resources to assist in policy development”.

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Downsizing, outsourcing and Shared Service Centres

In the late 1990’s and the beginning of the 21st century, we can see a depersonalisation of human resource management. Already in the beginning of the 1990’s, practices like downsizing and outsourcing had become a common practice in a world of increased global competition (Freeman & Cameron, 1993). Freeman and Cameron (1993) defined downsizing as “a set of activities, undertaken on the part of the management of an organisation, designed to improve organisational efficiency, productivity, and/or competitiveness”. Many downsizing actions include outsourcing to diverse tasks that were previously done in-house, like facility management or catering. According to Baron & Kreps (1999) the main reasons for organisations to downsize are; cutting costs, increasing adaptability, increasing productivity and improving shareholder equity. Cameron (1994) claims that the most critical factor for successful downsizing is the effective management of the human resource system. Human resource professionals have a crucial role in the successful implementation of effective downsizing strategies. Baron & Kreps (1999) claim that a structural change that often accompanies downsizing is outsourcing. Next to the fact that it can cut costs, it is important to notice that employment systems are changing and firms have to become more flexible to be able to adapt quickly to changes in their environment. In this respect, it would be important to firms to have employees that are flexible and that can suit the demands of this changing environment (Boxall & Purcell, 2003). Next to downsizing and outsourcing, shared service centres are a factor in the depersonalisation of human resources. According to Ulrich (1995) a Shared Service Centre is “the combining of services within a corporation”. Ulrich (1995) claims that the reasons for Shared Service Centres are fivefold: productivity, reengineering, globalization, service and technology. Commissaris & Abbema (2004) identify three impacts of an SSC for the HR function; more strategic performance for HR, quality improvement and the necessity to critically review the design of the HR function. Yet, in order to accomplish standardisation and quality improvement, an optimal tuning between people, processes and instruments is vital (Commissaris & van Abbema, 2004). With Shared Service Centres, there is less face-to-face contact with the employees. It is in this respect that the line manager has a more prominent role in the implementation of HR practices. The HR professional is only there to assist the line manager and guide him with their expert knowledge.

Linking HRM to strategic issues

Since the early 1990’s there has been an ongoing discussion on how the concept of strategic HRM (SHRM) should be interpreted and investigated. Tyson defines strategic HRM as ‘the linking of the HR function with strategic goals and objectives of the organisation in order to improve business performance and develop organisational cultures that foster innovation and flexibility (Tyson, 1997 in Buyens & de Vos, 2001). Golden & Ramanujam (1985) identified four phases which are a useful overall framework for determining the status of HRM in an organisation. In these phases there is a progressively greater integration between the HR function and the strategic management process:

1. Administrative Linkage. This phase represents the more traditional role of the HR function. There is little support in the organisation for greater integration between the HRM and the strategic decision making process.
2. **One-way Linkage.** There is a sequential relationship between HRM and strategic goals and objectives of the organisation. The HR function designs systems to help implement the firm’s business objectives, but is usually not given the opportunity to participate in strategic decisions.

3. **Two-way Linkage.** This type of linkage is described as a reciprocal and interdependent relationship. The organisation’s strategy and objectives not only influence the HR function, the HR function also has a real contribution to the process of strategic decision making.

4. **Integrative Linkage.** This phase describes a dynamic, multifaceted linkage that is based on an interactive relationship. According to Golden & Ramanujam (1985), “in this phase the HR executive is considered an integral member of senior management, from both a formal and informal perspective”. They claim that an integrative linkage is critical for the HR function if it is to become truly strategic.

This last shift in the field of HRM can be seen as an ongoing discussion and therefore in this research will be looked at as an all inclusive concept; it is not related to a certain point or period in time.

In summary, there have been some crucial developments in the field of HRM since the 1980’s; the added value of HRM to firm performance, a focus on HR roles, the involvement of line management a the trend towards downsizing, outsourcing and shared service centres and the ongoing discussion of strategic HRM. In this research the general expectation is that these five developments can also be found within ING in the Netherlands.

**Research design**

This research is conducted by examining critical incidents in the SCL-dimension by Paauwe (1994), extended with developments in the field of HRM to explore how these two factors influence the HR-function. The research design of this study is presented in figure 2. It is drawn from the Contextually Based Human Resource Theory, from the developments in the field of HRM as described above and from the definition of HRM as mentioned earlier.

**Figure 2: Research Design**
The SCL dimension is made operational by defining certain critical incidents, which will be described and discussed at a later point in this thesis.

HRM will be investigated from three different angles. First, the HR design and structure will be looked at more closely. This means that the number of employees the HR department has will be researched and, more importantly, the development of these jobs within the department will be looked at. How is the structure of the HR department now and can we see any significant changes? Secondly, HRM can be examined in terms of the HR policies used. What sort of HR policies are in use now and for how long have they been in use? Finally, the last way of viewing HRM is in terms of HR roles. In what way can the HR department within ING in the Netherlands add value to organisational performance?

The focus of this study is on factors that affect the HR function; design and structure, policies and the role HR professionals play within the organisation. These factors are viewed within the framework of the Contextually Based Human Resource Theory by Paauwe (1994, 1996, 2004). Factors within institutional mechanisms and within the configurations of ING in the Netherlands, lead to trends like for instance performance management. These trends are described and communicated through channels like practitioners journals, consultants, conferences and seminars, and eventually might lead to unique approaches in HRM. The PMT-dimension is not studied in this study, but it must be taken into account that market mechanisms indirectly influence this study through developments in the field of HRM.

**Methods**

In this section the methods of this research will be discussed. The design for the research, data collection, the research population, procedure and analyses will all be thoroughly discussed.

**Design of the research**

This has been an explorative case study research, using the model by Paauwe (1994; 1996; 2004) and theory on the development of HRM as a framework. This has been explorative research because the area in which it takes place is relatively new; there has not been much prior research into the history of an HR department within a firm. There have been many articles on the history of HR in general (Ulrich, 1997; Jamrog & Overholt, 2004; Ogilvie & Stork, 2003), but none of them specifically discuss the history of a particular HR department within a firm. This research is a single case study because it focuses on a single organisation and its environment. According to Yin (1994) a case study is an empirical method for learning about a complex phenomenon, within a real life context. The process of research is usually thought to be either inductive or deductive (Baker, 1994). At the start, this study is mostly of a deductive nature, general expectations were derived from theory. These expectations were about developments within the field of HRM and the influence of certain critical incidents within the SCL dimension in the history of ING, on the development of the HR department of ING in the Netherlands. However, this study is also of an inductive nature; from the analysis of
secondary sources, like annual reports, we determined the critical incidents that are a guideline throughout this research.

**Data Collection**

Data were collected in three different ways. Firstly, a literature study was conducted. The theory from this study has been a guideline throughout the rest of the research. Secondly, documentation and archival records have been analysed. Administrative documents, annual reports, annual social reports and governance structures from 1990 to now have been studied to determine critical incidents. This document analysis was also done to give additional information next to the information obtained by the third way of data collection; interviews. Based on the information from the literature study and document analysis, interviews were held with different people within the organisation. To ensure that the interviews were conducted in an orderly and structured manner, it was necessary to make a topic list. The model by Paauwe served as a guideline in the development of this topic list. The most important events that have occurred within ING, within HR within ING and within the institutional context of ING, the critical incidents determined through document analysis, were also in the topic list. Next to questions about the critical incidents we chose, we asked questions about the strategy of the organisation, the HR strategy and the culture of the organisation. We also asked respondents what they thought were current and future challenges for the HR function within ING in the Netherlands. For a total view of the topic list see appendix 1. Before the interviews took place three pilot interviews were conducted, three people were asked for these interviews. This pilot study served as a test-case so that the researcher could practice the interview and test the topic list. The use of a pilot study increased the validity of the research instrument. After the test-interviews, final decisions could be made about the content of the topic list for the interviews. All the interviews have been face-to-face and semi-structured. The interviews have been recorded, documented and later sent back to the respondent for their approval. Memos have been used during the coding of the research data, so that the line of reasoning and difficulties could be reported during the process of coding and analysing the data.

**Research population**

The respondents were not chosen randomly but from a specific interest regarding the subject of the research. The respondents were chosen on the basis of their function in the organisation, based on the time they have been an employee of ING or because of their relevance in the external environment of ING. In order to increase the validity of this study, people with different backgrounds were interviewed. The executive assistant of the HR manager of ING within the Netherlands had set up a list of people that were interesting to interview. She has a history within ING and knows which people know a lot about the organisation and have worked for ING in the period on which this research focuses. In total 18 people were interviewed. Firstly, nine people from executive level management were interviewed, seven HR and two non-HR. After this it was decided that HR employees from an operational level had to be interviewed as well. We also interviewed six operational level HR managers; their names were given to the researchers by the nine interviewees from executive level. In
addition to these two groups, interviews were held with three external respondents, who all worked for social partners of ING.

Table 1: Composition of the research population

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<tr>
<th>Function respondents</th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
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<tbody>
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<td><strong>Executive level</strong></td>
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<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Non-HR</td>
<td>2</td>
<td></td>
<td>2</td>
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<tr>
<td><strong>Operational level</strong></td>
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<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Relevant Stakeholders</td>
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<td></td>
<td>3</td>
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Employed since

<table>
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<tr>
<th></th>
<th>Male</th>
<th>Female</th>
<th>Total</th>
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<tbody>
<tr>
<td>1970 – 1990</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>1991 – present</td>
<td>4</td>
<td>3</td>
<td>7</td>
</tr>
</tbody>
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Analysis
The first phase in the analysis of the data, involved carefully and literally typing out the interviews in the program Microsoft Word. After reading these interviews for the first time, they were converted to text documents so that they could be analysed using the program Atlas.ti. With this program it is possible to structure data by linking codes to text fragments. In this way, you can find out how many times a certain subject is mentioned in the interviews or in total. The codes firstly were made by reading through the interviews and looking for certain notable things, without looking at the research design. This process was repeated more than once, this increases the reliability of the results and is called an iterative process. After this the codes were joined into supercodes, according to the critical incidents and HR markers through the years. The analyses of the codes and supercodes were used to make up the final results that are discussed in the next chapter.

Reliability and validity
According to Yin (1994) there are four criteria for judging the quality of a research design. The first one is construct validity. This means that a correct set of operational measures for the concepts studied should be established. In this study multiple sources were used to increase the construct validity, data was collected through the use of document analysis and interviews. According to Yin (1994), any finding is more convincing if it is based on several different sources of information. It is also important to mention that with qualitative research, the principle of “ist” and “soll” applies; does a respondent talk about the current situation or about the desired situation. From sentence construction it can be observed what the current situation and what the desirable situation is. However, this must be taken into account during the analysis and interpretation of the data. To further enhance the validity of this research, the program Atlas.ti was used. During the analysis of the data, the research design was kept in mind, while leaving space for possible other comments of the respondent. The second criteria Yin (1994) mentioned is internal validity. This type of validity is not applicable in this research because this
study does not try to determine a causal relation but is descriptive by nature. The third criteria is external validity, this criteria does not apply to this study. External validity deals with problems of knowing whether a study’s findings can be generalized beyond the immediate study (Yin, 1994). External validity is relevant but not applicable in this research because we only want to map HR within ING in the Netherlands. These findings can therefore not be used to generalize because they are too specific for ING. The fourth and last criteria for judging the quality of a research design is the criteria of reliability. According to Yin the objective here is to be sure that, if later investigators followed exactly the same procedures and conducted the same case study, they should have to arrive at the same findings. In this study the reliability has been increased by a thorough documentation of the procedures used. The interviews were typed out literally. The interviews were also semi-structured. This means that in every interview the same questions were asked, which increases the reliability. Through the recording of the interviews, the reliability was also increased.

Results

In the following section the results of this study will be presented. The first part of this section contains a review of the determination of the critical incidents through document analysis. After this the results for the interviews are discussed. This will start with a discussion about the critical incidents, after this the configuration of ING in the Netherlands is described and finally the researcher will describe the presence of the shifts in the field of HRM within the HR function of ING in the Netherlands.

Document analysis

The first phase of this project contains the determination of critical incidents. Critical incidents were determined using secondary sources like literature on ING. These critical incidents are further explained in the next section.

Critical incidents

The SCL dimension is made operational by defining certain critical incidents. In this research a critical incident is defined as a rigorous change in the internal and external environment of the organisation that has major consequences for the structure, policies and roles of HRM in the organisation. These critical incidents were divided into the PMT dimension (economical context) and the SCL dimension (social, legal and cultural context). I have examined the SCL dimension and will therefore only talk about these critical incidents here. With regard to the SCL dimension, the following critical incidents are thought to have had an important influence on HRM within ING in the Netherlands:

Merger between NMB-Postbank and Nationale Nederlanden

The first critical incident I studied is the merger between NMB-Postbank and Nationale-Nederlanden in 1991. This was the beginning of ING Group as it is today. This merger has had several consequences concerning the SCL dimension in which ING operates. According to Schuler & Jackson (2001)
important HR issues in times of mergers are; retention of talent and key managers, communication and integration of corporate culture. In light of the SCL dimension, especially the last issue is of importance. From previous conversations within ING and the pilot interviews we learned that the cultures of the different firms within ING are still very strong and people are not willing to let this go. The impact the merger in 1991 has had on the culture within ING, the clash between the cultures of the different firms that had to merge and the social consequences of the merger have been examined.

**ING CBA, social policies and Unions**

The next critical incident that was closely examined within this research is the business Collective Bargaining Agreement for ING. The ING CBA was developed in 2001; ING was the first organisation in the financial sector that wanted its own CBA. According to Tros, Albeda & Dercksen (2004) the main reason for organisations to want their own CBA is that they can tune their social policy better to their own market environment and to characteristics of the employees. De Roock & Van Delden (2001) claim that it is especially desirable for large corporations to have their own CBA because of their capacity in professional HRM departments and the need to distinguish themselves in the labour market (in Tros et al., 2004). Before the ING CBA, bank and insurance employees worked under a different sector level CBA. There was a decentralization of the CBA, which led to a closer fit with ING. The impact that these different CBA’s had and the impact of the introduction of the ING CBA in 2001 will be examined in this research. The expectation is that the forming of this ING CBA has had an influence on the HR function of ING because the HR function was closely involved in the realization of this ING CBA. Unions can also have been of influence on ING and the HR function within ING in the Netherlands. According to Korteweg, Tijdens & De Winter (2003) the number of unions members in the Netherlands has increased, but the degree of unionization is low in all sectors, 26% in 2002, compared to the beginning of the 90’s there is not a very big difference. According to Visser (in Korteweg et al., 2003) the degree of unionization is especially low in the financial sector, namely around 10%.

**Changes in Governance structure**

In 2004, the structure of ING moved from a regionally oriented structure to a business line oriented structure. The change of structure is an indirect result of the merger in 1991. The result of the merger was a great diversity of entities that had to work together, but also kept their own identity, systems, processes and culture. In 2004, these 24 labels were put together in 5 business lines. This might have had an influence on the different cultures within ING. What has been the role of the HR department during these changes in the governance structure and in what way did these changes influence the HR function itself? The influence of the introduction of an Anglo-Saxon model will be examined. According to Tros et al. (2004) the “Rhineland model” considers employees as their most important stakeholders, while in an Anglo-Saxon model corporate management has to work on the order of shareholders and create the highest shareholder value as possible. The degree in which the HR function was centralized or decentralized has also been examined.
Major changes in Legislation and Union influence

According to Evers, Hees & Schippers (1998) the government has a large influence on the Dutch system of industrial relations, as a collective party but also as a legislator. In this research it is examined how this influence had an impact within ING. In this respect, Pieper (1990) claims that in comparison to the US, HR within countries in Western Europe are more influenced and determined by state regulations. In this study, the regulations that have been in force from 1990 till now were examined. Before the start of the interviews it was not clear which laws and regulations could have had an impact on ING and on HR within ING. However, it is well known in the Netherlands that there have been some important changes in legislation that were implemented at the beginning of 2006. Examples of these changes are; the Flexwet, disability to work, health insurance act, course of life legislation and dismissal laws. In the interviews people were specifically asked what laws and regulations have had an impact and why they were important.

Interviews

This section describes the second phase of this project; the results for the interviews. Firstly the results from the interviews for the critical incidents, described in the previous section, will be discussed. After this, the results for the shifts within the field of HRM are described. At the end of both sections a timeline is presented.

Critical Incidents

The general expectation was that certain critical incidents have had an influence on the HR function of ING in the Netherlands. In the following section the results for the critical incidents will be described. I will only describe outcomes in the sphere of the SCL dimension; social, cultural and legal results.

Merger NMB-Postbank and Nationale-Nederlanden

In the interviews respondents were asked what they knew about the merger between NMB-Postbank and Nationale Nederlanden and how this merger influenced the HR function within ING in the Netherlands. Ten of the respondents say something about the merger, four respondents indicate that they do not have enough information about the merger and four respondents did not talk about the merger at all. In their comments about the merger respondents mention the following consequences:

- Working conditions for employees of NMB-Postbank and employees for Nationale Nederlanden differed, banking personnel worked under the general banking CBA, insurance personnel worked under the general insurance companies CBA.
- There were cultural differences between the different firms; different blood groups are in place.
- There were differences in structure and strategy between the different firms, the structure became too complex and strategies had to be combined.
- The merger caused an increase of mobility on the internal labour market; people were able to switch between banking and insurance.
Next to the specific merger between NMB-Postbank and Nationale Nederlanden, a few respondents mention mergers and acquisitions in general. Four respondents talk about the different mergers ING went through. Two other respondents believe that mergers and acquisitions are a trend in the economic context of ING.

**ING CBA, social policies and Unions**

Six respondents acknowledge that the development of an ING CBA was an important change in the history of the HR function. One respondent thinks that due to the realization of an ING CBA, the internal mobility of employees increased. There was also increased power in recruitment because ING could recruit people from one label, ING. Other respondents mention the fact that ING was the first of all the large banking companies in the Netherlands to develop its own CBA. An external respondent, who is a representative for the FNV, one of the largest unions in the Netherlands, says the following about the development of an ING CBA:

‘In 1999 ING is the first one who wants out of the business CBA for banking. ING wants to have more influence on their own working conditions. ING can manage their policies much better when they can make their own arrangements about this instead of arrangements that are made collectively within the banking CBA. That has also been an important turning point for HR activities within ING, there is much more thought about how you handle your employees, concerning training and education, career development policies etc.
[external respondent]

Twelve respondents mention that there have been changes in the social policy since 1990. According to these respondents, the HR function has to deal with changes in the business like reorganisations and they have to adjust social policies so that they can deal with these changes. Other remarks that were made about developments in CBA and social policy:

- Global ING social policies still have a Dutch character because the headquarters of ING is in the Netherlands and most of the employees are Dutch.
- A difference between current social policies and social policies in the past is that currently employability and career development are central, while in the past it was mostly about compensation and rewards.
- The influence that HR has on social policies and CBA developments has increased.

When asked for changes concerning unions, twelve respondents mention the union in one way or another. According to respondents:

- Union membership is declining
- Unions have more to say because of the ING CBA (ING is more approachable to the unions). Union representatives visit the firm regularly and they have more contact with their members, they also get to know the organisation better.
- Negotiations with unions are with HR (in contrast to the past, where it was done by the CEO)
Governance Structure

The most influential change in governance structure respondents mention is the switch from 24 separate labels to 5 business lines in 2004, which was explained in the first phase of this study on governance structure, the document analysis. Ten respondents mentioned this change in governance structure when asked for changes in organisational structure in the past fifteen years. One respondent mentions that because of this change from labels to business lines, a tension arose between international interests and Dutch working conditions, CBA’s and social policies.

Another change in governance structure respondents mention is that business and HR are constantly moving between centralization and decentralization. Four respondents name this wave motion in relation to the business, while fourteen mention this motion in relation to HR. In the past HR was usually decentrally organized, while currently HR is mostly centrally organized in particular with respect to arrangement like working conditions, CBA’s or compliance. Other policies are thought up centrally as well, but HR within the business lines interprets these policies in accordance with their line of business.

The third major change most respondents acknowledge is the introduction of an Anglo-Saxon governance model. Ten respondents mention this newly introduced model. According to respondents, features of this Anglo-Saxon model are: a focus on added value, shareholders and growth and a focus on results (performance culture). In relation to the introduction of an Anglo-Saxon governance model, the following remarks are the perception of respondents:

- Dutch organisations are copying ‘best practices’ in Anglo-Saxon countries
- It is difficult to integrate with the Dutch ‘Polder model’ that has a strong focus on the human factor while the Anglo-Saxon model is more focused on results and profits.
- An Anglo-Saxon model can be caused by and can cause a depersonalisation within the organisation.

‘For the last two year, with the arrival of a new leader (Michel Tilmant), the policy is more focused on an Anglo-Saxon model. This model has a focus on; the shareholder is more important than the employee, added value and growth’.

[executive level HR]

The last issue respondents mention is the arrival of the Belgian Michel Tilmant as CEO. Michel Tilmant has been chairman of the Executive Board since April 2004. He became a member of the Executive Board in 1998 and vice-chairman on 2 May 2000. Before joining ING, he was chairman of Bank Brussels Lambert (BBL), which was acquired by ING in 1998 (www.ing.com/group; 2006). Corporate Human Resources is one of the four Group staff departments that report directly to Mr. Tilmant. Thirteen respondents acknowledge that the arrival of Michel Tilmant as a new CEO has caused some changes. According to respondents, changes caused by Tilmant are a strong focus on the core business and the introduction of a winning performance culture. Furthermore, globalization played a role in the appointment of Tilmant as CEO and because of his appointment, internationalization will gain more influence within the firm.
**Legislation**

Eleven respondents say that new legislation that has been in force from the beginning of 2006; has had an influence on ING and particular on the HR function. According to respondents, these changes in legislation mostly have to do with pensions, health insurance act (Wet Poortwachter), disability to work (WIA), course of life legislation (levensloopregeling) and dismissal laws. There have also been changes in legislation concerning topics like compliance and financial supervision laws and exchange rules and regulations in the Netherlands. The focus on these topics is growing because of several cases in which employees in financial firms have abused their position. There is now more restriction and supervision to prevent this. Seven respondents mention issues of compliance and financial supervision laws.

*‘There is more discipline among employees because of compliance regulation’. [executive level HR]*

Respondents say the following about legislation and the influence of legislation and governance decisions on ING and the HR function within ING in the Netherlands:

- Developments and changes in legislation usually do not have a great impact on HR within ING.
- Recently, there have been too many changes in legislation in the Netherlands. Most employees and managers are not yet familiar with these new regulations.
- Dutch legislation is often difficult to combine with an Anglo-Saxon governance structure.
- Insurance companies can cater to the needs in society because of changes in social legislation. The public has to insure itself against these changes; insurance companies can offer products that cater to these needs.

**Societal and demographic developments**

Through the analysis of secondary sources, these developments were not defined as critical incidents that could influence the HR function of ING in the Netherlands. Yet, after the interviews it became clear that these societal and demographical developments can have very large consequences for the HR function. It was then decided that these developments would also be defined as a critical incident. There are three major domains in the field of societal and demographic developments which can have an influence on the HR function within ING in the Netherlands; societal developments, labour market and employment and demographic developments. Respondents mention a few societal developments; work-life balance, a dynamic society (rapid changes in legislation, organisations, societal values etc.) and an increase in educational and functional level. Another development that was frequently mentioned is individualization. Five respondents acknowledge that this is an obvious societal trend. According to these respondents, people become independent, emancipated and take more responsibility for their own actions and working conditions.
‘What you do notice is that there is a shift in balance towards more leisure. Working hours have become more flexible’.
[operational level HR]

Respondents mention some developments concerning the second domain; the labour market and employment. Five respondents acknowledge that the labour market is becoming tighter. In this respect, seven respondents say that internal mobility and employment is very important in dealing with this tightening of the labour market. Respondents also mention talent management and good working conditions as important factors. Through good working conditions, ING becomes a popular employer to work for. ING has to have comprehensive talent management, to make sure that talented employees don’t leave the organisation.

‘Furthermore, employability is very important within HRM, to connect to a development as an aging workforce and a narrowing of the labour market. See to it that people are and remain fit and that people match with ING well and the other way around’.
[executive level HR]

Figure 3: Critical Incidents within ING in the Netherlands

According to the results, demographic development can also have a major impact on the HR function within ING in the Netherlands. Four respondents acknowledge that it is important for ING to reckon with cultural diversity. Respondents acknowledge that in the future it will become more important to connect to different cultural groups with your labour force because society is becoming more diverse in terms of cultural and ethnic groups. Eight respondents say that ING has to take the aging workforce as a demographic development into account. They mention cultural diversity, employability, flexibility of the workforce and health management as possible solutions to problems with regard to an aging workforce.
'We are going to have substantial problems in dealing with an aging society. If we don’t quickly see to it that we keep people with various cultural backgrounds in the Netherlands, soon we will not have enough labour potential to finance the expenses of an aging Dutch society'.
[executive level non-HR]

The critical incidents that have occurred within ING in the Netherlands are presented in the timeline in Fig. 3.

**Configuration**

According to Paauwe (1994, 2004), next to the PMT dimension and SCL dimension, configurations that formed in the past have an influence on HRM as well. Within ING there are a few configurations that are of influence. These configurations will now be discussed.

**Culture**

Respondents mention different aspects of the concept culture. Eight respondents think that there is no single ‘ING culture’; while seven other respondents think that there is ‘one ING culture’. Of the respondents who think there is no ING culture, seven respondents already worked for ING before the merger between NMB-Postbank and Nationale Nederlanden in 1991. Of the respondents who think that there is one ING culture, four respondents have started to work for ING after the merger, one respondent is external and two respondents already worked for ING before the merger. Characteristics that are described about an ING culture are; (the introduction of) a winning performance culture, an informal atmosphere, but also a strong feeling for hierarchy and employees are pampered.

Eight respondents say that the differences in culture, between labels that no longer exist since the introduction of five business lines, still exist. They mention differences between the banks and other businesses within ING and they talk about culture differences in general. Eight respondents mention that there are specifically large differences in culture between banking and insurance. Essential differences are that banking is focused on short term results while insurers focus on long-term results and banks are more client and costs focused in comparison to insurers.

‘You cannot say that there is one ING culture. ING is too diverse; you see different blood groups that do have something that binds them together.
[operational level HR]

**Labels**

A very strong factor in the configuration is the maintaining of the Dutch brands that were in use before the merger; Postbank, Nationale Nederlanden and RVS. Six respondents acknowledge that there is a certain attachment to the old labels in the Netherlands. They also mention the fact that ING holds on to these labels for marketing and commercial reasons. The labels have a very strong market value in the Netherlands, at this point it would cost too much to loose those labels.
Wealth of the organisation

According to eight respondents, ING has always maintained high profit rates. Two respondents mention that ING has very good working conditions. At the moment, ING has one of the best working conditions in the Netherlands. The last two years ING group is ranked second best in research by the Dutch weekly Intermediair on the best employer in the Netherlands and recently they were number one in the research for 2006 (for an overview of the results: Table 2). It should be kept in mind that these rankings are only based on compensations and benefits. The ranking was lowest in 2003, with only a 20th place. It seems that together with a different bonus system, the low budget for education was the crucial factor in the low ranking for that year. The HR function for ING in the Netherlands strives to continue to be in the top 3 of best employers in the Netherlands. This means they have to keep up their working conditions.

"For a part it is a matter of golden chains, I really think so. We have very good working conditions, but people also think ING is a fine company. It is striking that people have a true commitment to this organisation.

[executive level HR]

The downside of providing very good working conditions is that it becomes like golden chains for the employee. There could be negative consequences for employees if they leave ING because they couldn’t possibly get the good working conditions they are used to with ING, elsewhere. Two respondents acknowledge this, but three respondents also mention that the reason why people don’t want to leave ING is a combination of these “golden chains” and loyalty to the firm.

Table 2: Results of the ‘best employer research’ by Intermediair

<table>
<thead>
<tr>
<th>Year</th>
<th>Rank</th>
<th>Bonus¹</th>
<th>Budget for education²</th>
<th>Employee turnover rate %</th>
<th>Absence due to illness %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2006</td>
<td>1</td>
<td>A</td>
<td>4.8%</td>
<td>8.9%</td>
<td>- ³</td>
</tr>
<tr>
<td>2005</td>
<td>2</td>
<td>A</td>
<td>4.2%</td>
<td>6.1%</td>
<td>4.3%</td>
</tr>
<tr>
<td>2004</td>
<td>2</td>
<td>B</td>
<td>4.3%</td>
<td>6.5%</td>
<td>4.7%</td>
</tr>
<tr>
<td>2003</td>
<td>20</td>
<td>C</td>
<td>1.4%</td>
<td>8.5%</td>
<td>5.2%</td>
</tr>
<tr>
<td>2002</td>
<td>4</td>
<td>A</td>
<td>4.5%</td>
<td>9.1%</td>
<td>5.6%</td>
</tr>
</tbody>
</table>

¹: A = all employees, individual and group efforts
   B = all employees, group efforts
   C = High management and commercial functions, individual efforts

²: as a percentage of pay

³: no data available
Shifts in the field of HRM

Through the interviews and document analysis the researcher will try to find out whether or not the different trends within the field of HRM are in place within ING in the Netherlands and if HR policies have changed during the years. The reason for this analysis is the fact that not only internal and external factors can influence firm, developments from the HR discipline too can be of influence. This research sets out to examine which of the five shifts, described earlier, are in place within the HR function of ING in the Netherlands and in what way they influenced the formation of the HR function.

Linking HRM to strategic issues

The research started by looking at the involvement of the HR department in strategic decision making at organisational level, more specifically what the role is of the head of HR in the management team of ING. Respondents acknowledge the fact that the desired state for HR is to be a strategic business partner. Eight respondents claim it is a challenge for the HR function in the future to enlarge their strategic contribution. Two more respondents also claim it is important for HR to become a strategic business partner. In this respect some respondents say that HR has a place at the management table but that there is still room for improvement.

‘Also being a real partner in business, not only naming it. But that you sit at the table because you were asked to sit there and not because HR wants to’.
[executive level non-HR]

The majority of the respondents claim that HR is in line with the business (13 respondents). Next to these positive comments on HR being in line with the business, six of the thirteen respondents claim that there is room for improvement and that HR should be more pro-active in providing the business with ideas and solutions.

HR and performance

We wanted to find out whether ING in the Netherlands has used the concept of HR and performance. Six respondents acknowledge the fact that it is very important for HR to constantly prove their added value to the business.

‘We just have to work hard at our own professionalism; we are also a discipline that can possibly be outsourced. Therefore, we must constantly prove our value for the business’.
[operational level HR]

According to respondents the HR function can prove their added value to the business by;

- **Administrative excellence.** Twelve respondents claim that administrative excellence is very important for HR in adding value to the business. When basic processes and systems do not work optimally, the business will not take HR seriously.

- **Having business knowledge.** Four respondents mention business knowledge as a way for HR to prove their added value to the business. Respondents did not speak of the importance of this business knowledge very often, but it was striking that when asked for information about
business facts like developments in the business or strategy, most HR respondents knew what they were talking about.

- **A focus on the customer.** It is acknowledged by ten respondents that having a strong focus on the line manager, the internal client for HR, is an important way in which HR can prove their added value.

- **Proving that people are the most important assets to an organisation.** Eight respondents acknowledge that the human factor in organisations has become more important.

Talent management is also a theme that is frequently repeated. Eleven respondents mention talent management as a main point of HR strategy, as a consequence of economic developments or as a challenge for the HR function. They say that talent management means the following:

- Recruitment of the right people for ING.
- Coordination and keeping track of talent.
- The development of talented employees.
- Retaining talented employees and developing the right conditions to do so.

**HR Roles**

We analysed which roles are in place within ING in the Netherlands and what roles have had a more prominent place than others, through the years. All eighteen respondents acknowledge the fact that the role of HR has changed. Respondents give different kinds of changes in the role of HR within the organisation; eight of the respondents claim that HR has developed from an administrative staff office to a supportive and strategic business partner, six respondents say they have noticed a shift from HR for the employee to HR in a supporting role for the management. Finally, five respondents mention a shift from HR as an integral function in which an HR advisor had knowledge of different aspects of HR, to a function in which different specialists advise the manager on specific problems.

‘We then clearly abandoned the concept of a personnel consultant for the employee. We made the shift that HR is a management advisor and not an advisor for the employee’.
[operational level HR]

**Involvement of line management**

The role of the line manager in the implementation of HR policies was also examined. Has this role changed over the years and what have been the consequences? Thirteen of the respondents acknowledge the fact that the involvement of line management in HR tasks has increased. Generally, reactions were neutral and respondents just described the way in which the line management has more responsibility for HR tasks. Eight respondents talk about the implementation of the project ONE, when they talk about the role of line management in HR tasks. This project will be further discussed in the discussion about the last shift in the field of HRM.

‘ONE meant that a number of HR tasks went to the management. Management gets support of HR consultants and employees mainly get support though the click and call channel’.
[executive level HR]
**Downsizing, Outsourcing and Shared Service Centres**

Finally, the role that the HR function played in downsizing, outsourcing and the concept of shared service centres within ING in the Netherlands. Eleven respondents acknowledge that a process of downsizing is in place within ING. According to respondents this process currently takes place within the insurance company Nationale Nederlanden and within the department Ops & IT. Thirteen respondents acknowledge that a process of outsourcing is in place within ING. Respondents mention a focus on the core business, cost efficiency and market consolidation for financial services in the Netherlands as reasons for outsourcing within ING. Five respondents also mention new technologies in combination with globalisation as a cause for more outsourcing. Four respondents claim that commitment to the organisation causes problems in processes like downsizing and outsourcing. Six respondents think that ING handles processes like downsizing and outsourcing very well. Two main reasons they mention are the fact that ING is a wealthy company and the fact that they have very good agreements with unions about this subject.

“We are right in the middle of outsourcing now. That is very difficult because it touches the loyalty of people towards the company. But why do we do it, because particular activities that we normally do no longer belong to our core activities.”

[executive level HR]

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**Figure 4: Time line; shifts in the field of HRM**

Eleven respondents talk about Shared Service Centres within the framework of the implementation of the project ONE. Due to the implementation of ONE, administrative HR tasks were put in a Shared Service Centre and most other HR tasks became the responsibility of the line manager. When in need of advice or help, the line manager can turn to HR. In sum, the HR function is only concerned with HR policies and strategies and having an advising role towards line management, while administrative HR tasks are in SSC and other HR tasks are the responsibility of line management. Overall, respondents are not very positive about ONE. The main reasons for this is because they think that ONE was implemented too fast and rigorous and there was too little support for managers.

“We are now especially working on optimizing our design. We found our way in it now, but there is still discussion about the subject. And we definitely lost some support in the line, with this reorganisation”.

[operational level HR]
Discussion

In this chapter the conclusions will be discussed, referring back to the central research question. Also, the limitations for this research will be presented and recommendations for future research will be given.

Conclusions and recommendations

In this research, the Contextually Based Human Resource Theory by Paauwe (1994) has been used to do a force field analysis of the history of HRM within ING in the Netherlands. The focus of this study was on the SCL dimension, which refers to the socio-political, cultural and legal context of an organisation. Critical incidents within the history of ING and configurations formed in the past, that might have had an influence on the HR function, have been determined and examined. Also, developments in the field of HRM and their presence within ING were studied.

The main conclusion of this study for ING, refers back to the central research question; “How has HR developed within ING in the Netherlands since 1990, and what lessons for the future can be drawn from this? During changes within the organisation like mergers, changes in structure or legislation and social policies, it is important to remember how these processes were handled in the past. It became clear during the interviews that it was hard for respondents to talk about the past, and even the current situation. Instead, some respondents described the desired situation for the future. Often, organisations forget lessons they learned in earlier times of change. Therefore, in current changes things sometimes have to be re-invented. According to Levitt & March (1988) “organisational learning depends on features of individual memories”. They claim that lessons from experience are maintained and accumulated within routines and in this way they record history. However, there is little known about the way routines are formed, according to Levitt & March (1988) it is clear that it is difficult to reach internal consistency in organisational memory. They also claim that not everything is recorded, simply because of costs involved with keeping records. Organisations should place more emphasis on creating an “institutional memory”; an awareness of critical events in their past from which they have gained knowledge that could be used in current times of change. This is also applicable to ING, in the past fifteen years they have gone through many changes from which they must have gained certain knowledge. But where is this knowledge? Is it still within the organisation? Or did the people who handled these changes leave the organisation? An important way of creating an institutional memory is keeping records of changes within the organisation. When doing research into for instance the merger between NMB-Postbank and Nationale Nederlanden in 1991 and the implementation of ONE, the researcher found that there were hardly any records left of this event. It is also of importance that knowledge of leaving employees should be passed on to younger employees, so that this knowledge will not be perished.
Another main conclusion of this study is that there seems to be a constant movement within the HR function, in different areas. With regard to structure and design within ING, there is a constant shift between decentralization and centralization of the HR function. In the past HR was usually decentrally organized, while currently HR is mostly centrally organized when it comes to working conditions, CBA’s or compliance. The results show that other policies are thought up centrally as well, but that HR within the business lines interprets these policies in accordance with their line of business. Next to this movement between centralization and decentralization, the results show another constant movement within the HR function, namely from an HR generalist towards an HR specialist. With the implementation of the project ONE, there has been a shift from HR as an integral function in which an HR advisor had knowledge of different aspects of HR, to a function in which different specialists advise the manager on specific problems. It can be expected that in the future, the HR function will become an integral function again. This is due to the fact that employees don’t view the project ONE very positively. Most respondents think it was implemented too quickly and rigorously and there was too little support for managers. It is questionable whether such a rigorous implementation of a project or a change in structure, strategy, policies or practices is the right way. The question arises whether such great changes should be implemented at once or that they should be the result of an organic restructuring of the HR function connected to changes in the business?

**Configuration**

There are three aspects in the configuration of ING in the Netherlands that stood out in the interviews. Firstly, the brands that were in place before the merger in 1991 between NMB-Postbank and Nationale Nederlanden, will be discussed. For marketing and commercial purposes, these labels are kept intact even today. It was remarkable that there is still a big difference between the labels. The researcher experienced this when visiting the offices where the different labels worked. There was a big difference in atmosphere between for instance the Postbank and Nationale Nederlanden. These differences are mostly manifested in culture, which is the next important configuration. According to Schein (1985) “every group, corporate or otherwise, has a unique culture, a set of important assumptions, which are shaped by its members’ shared history and experience”. Although there are some factors that were identified in the interviews as part of a culture within ING, most respondents however acknowledged that business lines and even labels within these business lines have their own culture. This could largely be caused by the sort of business; insurance for instance is different from Real Estate. According to Blood & Dawson (in Lok, Westwood & Crawford, 2005) organisations contain subcultures which form around organisational groups on the basis of for instance location, functional focus and professional background. Lok et al. (2005) argue that subcultures are embedded in the main culture, therefore containing elements of this main culture, but also elements that are distinctive of the main corporate culture. Approximately fifty percent of the respondents said they experience one ING culture, while the other half of the respondent claim that there is no such thing as one ING culture. Most of the latter group of respondents already worked for ING before the merger in 1991, while most of the respondents who do experience one ING culture started working for ING after this merger or were external respondents. Thus, while most people do experience one overall ING
culture, they also acknowledge that subcultures within ING exist. It can also be concluded that people
who started working for ING after the merger never experienced the differences between the different
labels and therefore only see and experience one ING culture. The people that already worked for the
different labels, still think, work and experience culture in terms of the different subcultures that are still
in place. Another explanation could be that people who work within the business lines (decentrally)
have a stronger focus on their business and the culture within that business, instead of on the entire
organisation. Lok et al. (2005) too argue that “subcultures provide a more immediate and engaged
work context for people, they are more focused and coherent than organisational cultures”. The last
configuration within ING in the Netherlands that is in place is the wealth of the organisation. One of the
consequences of this wealth is that ING has one of the best working conditions in the Netherlands.
The downside of very good working conditions is that they can become golden chains; when people
want to change to a new job in a new firm, the chance of getting the same sort of working conditions is
slim. Porter, Steers, Mowday and Boulian (in Legge, 1995) define commitment as “the relative strength
of the individual’s involvement with, and in a particular organisation”. Porter et al. (in Legge, 1995)
have operationalized commitment in three factors; a strong desire to remain a member of the
organisation, a strong belief in the values (culture) and goals of the firm and a readiness to exert
considerable effort on behalf of the organisation. According to some respondents too, people often
stay with the organisation, not only because of these good working conditions but also out of
commitment to the firm.

Critical incidents
The first critical incident that was examined is the merger in 1991 between MNB-Postbank and
been the dominant mode of internationalisation during the last decade”. Respondents acknowledge
that this is also the case for ING, which is an organisation that has grown through many mergers and
acquisitions, to become the multinational company they are today. According to Weber (1996), in
literature, a lack of cultural fit has frequently been mentioned as a potential factor in problems
concerning mergers and acquisitions. Larsson & Finkelstein (1999) also argue that “culture clashes
are not uncommon during the integration process”. One of the major problems ING had to deal with
too, are the cultural problems that accompanied the merger in 1991 and the many mergers and
acquisitions that followed. These were already discussed in the previous section on configurations.
A final remark about changes caused by the merger in 1991 is that there were some implications for
working conditions. Insurance employees had different working conditions than bank personnel had. In
this light, it was easier for insurance employees or banking employees to switch between one of the
insurance companies within ING group and one of the banking companies within ING group.

A consequence of the ING CBA was an increased internal mobility between labels within ING. It
became easier for employees of the different labels within ING to switch because working conditions
remained the same. Also the power in recruitment increased because ING could offer possible new
employees the same working conditions. According to Tros, Albeda & Derksen (2004) the main
reason for organisations to want their own CBA is that they can tune their social policy better to their
own market environment and to characteristics of the employees. An external respondent acknowledges this by saying that “ING wanted to have more influence on their own working conditions. ING can manage their policies much better when they can make their own arrangements about this instead of arrangements that are made collectively within the banking CBA”. One of the influences of the development of an ING CBA on the HR function, that respondents mention, is that creating a CBA and negotiating over this with unions is one of the main responsibilities for the HR function, the HR function had to handle the development of an ING CBA. This increased the pressure on the HR function but they also gained influence in the development of social policy and CBA’s.

In accordance with Visser (in Korteweg et al., 2003), respondents acknowledge that union membership has declined compared to the past. A reason for this could be that most financial institutions are wealthy organisations that can offer their employees very good working conditions, so that people do not see the need to become a union member. According to several respondents, the influence of the unions has grown. One of the consequences of the ING CBA was that the influence the unions had on developments in the CBA increased. This is an interesting finding because usually unions are not too happy with decentralization in CBA’s, their influence often declines in comparison to the influence they have on a business CBA. In this respect, Korevaar (2000) claims that unions have a need for coordination when it comes to CBA negotiations. However, because ING was no longer just one of the banks within a business CBA, the unions were able to hold ING more directly responsible for decisions made about social policy and CBA developments, through which they fulfil their need for coordination. Negotiations with the union are also done by HR now. In the past, negotiations with unions were done with the CEO of a company; HR joined these meetings but just in an advisory role.

There have been four changes in terms of structure and design of the organisation. According to Thompson (in Pfeffer, 1978) “organisational structures are developed to coordinate the interdependence among activities in organisations and they will develop so as to minimize the costs of coordination and communication”. Smither, Houston and Mcintire (1996) claim that organisations use new organisational structures to boost efficiency and productivity. The most influential change within ING has been the shift from 24 labels to 5 business lines. This change in structure was largely caused by the fact that the firm kept growing internationally and a transparent and open business structure was needed. In other words, they had to keep their structure uncomplicated and efficient while the growth meant an increase in productivity. Consequences of this change for the HR function were that they too had to restructure and had to rethink how they were going to handle this restructuring. This was especially obvious within the labels because these were always structured the way they thought was best for that label. The shift into business lines also caused tension between international interests that grew and Dutch working conditions, CBA’s and social policies. The organisation grew beyond the borders of the Netherlands and became a globally operating firm, while most of the employees still work in the Netherlands. The HR function had to keep a balance between international demands and Dutch working conditions. In this respect Looise & Paauwe (1998) refer to the need for a European model of industrial relations, within there is room for alignment between HR and the
business without Dutch working conditions forming a hindrance. The third change refers to the implementation of an Anglo-Saxon governance structure, in which corporate management has to work on the order of shareholders. This implementation causes tensions with Dutch legislation and what is called the “Rhineland model”, which considers employees as their most important stakeholders (Tros et al. (2004). The last major change in structure and design according to the results is the arrival of Michel Tilmant as CEO for ING group. There is now more focus on the core business, the organisation continues to become more global and Tilmant introduced the concept of a winning performance culture. A general conclusion about the influence of changes in structure and design of the organisation is that most of these changes are the result of globalization. In recent years the organisation grew beyond the borders of the Netherlands and became a global firm, with Anglo-Saxon influences like an Anglo-Saxon governance structure and the arrival of a foreign CEO.

Although Evers, Hees & Schippers (1998) claim that the government has a large influence on the Dutch system of industrial relations as a legislator, most respondents say that changes in legislation haven’t had a major influence on HR. A reason for this could be that HR within ING in the Netherlands decided to move the administrative department of HR into the Shared Service Centres. Probably, new legislation does have a great influence on HR but this influence is not noticeable anymore for most HR employees because changes only influence administrative processes and these are moved to the Shared Service Centres. However, the influence is very noticeable for the top level within HR, all changes in legislation have to be implemented in social policies and CBA's and top management within HR have to negotiate about this with unions and work councils. Another item that is mentioned frequently is a stronger focus on compliance and financial supervision laws. This is of great importance for financial institutions like ING, and the HR function is the department that is responsible for the awareness to these sorts of issues among employees. Currently, there is an e-learning module in place on the intranet of ING in the Netherlands and employees are obliged to take part in this module.

The last conclusions are drawn about societal and demographic developments. Trends that can be distinguished are that; employees often choose leisure time instead of more salary, there is a higher educational and functional level, society is becoming more dynamic and there is an individualization trend. A challenge for HR is dealing with these demands, without running the risk of loosing valuable employees. Globalization can play a part in these developments as well, it has become easy to move low level jobs to other countries were pay is lower. Society is changing in terms of that it is becoming more dynamic. Organisations have to deal with rapid changes which also influences the HR function. Another major change according to respondents is the tightness of the labour market. This tightness of the Dutch labour market is mostly caused by; a large number of people on disability benefits, a low labour participation of women, a low labour participation of people over 50 and a strong increase of labour demands (Remery, Henkers, Schippers & Ekamper, 2003). In this light it is important to maintain and develop talented employees because they are the ones that have to take over top positions within the firm. Respondents mention that currently there are two major demographic
developments that are of influence; the aging workforce/society and cultural diversity. According to Remery et al. 2003) in the total workforce in the Netherlands, 18% is an adult of 50 years or older. Health management is a solution HR within the Retail business line is working with; they want to make sure that people stay fit so that they can keep working up to their retirement age and don’t have to stop working prematurely. The second demographic development respondents mention is cultural diversity. According to Schneider & Northcraft (1999) “diversity has become a central element of the modern organisational landscape”. They argue that as firms operate more globally “effective interaction among diverse workers becomes more critical to smooth organisational functioning”. Society is becoming more diverse, it is not logical anymore to for instance, only have ‘white’ recruiters in a region where half the population is not white. According to Pires & Stanton (2005) culture diversity within many countries is growing. They claim there is an international failure to address cross-cultural issues within national borders. “Business should focus attention on how a culturally diverse workforce can increase business productivity and garner competitive advantage using skills and knowledge arising from cultural diversity (Pires & Stanton, 2005). To connect to demands of this diverse society, ING’s employees should be a reflection of society. Pires & Stanton (2005) claim that many financial institutions hire members of minority ethnic groups, because they realize that “most people will gravitate towards being active in civil and business groups within the ethnic community”. The focus within ING should therefore be on recruiting and maintaining the best talent and presently this talent can be very cultural diverse.

**Shifts within the field of HRM**

A main conclusion about these shifts being present within ING in the Netherlands is that top down communication is very good; most respondents are familiar with issues like strategic business partner, performance management, employability etc. However, it is not clear whether they all know exactly what it means. Do they know if a concept like ‘HR as a strategic business partner’ is really in place within ING in the Netherlands or is it so often communicated from above that they believe it to be.

**Linking HRM to strategic issues.** In comparison to the past there has been a change in the phase of integration between the HR function and the strategic management process. In the beginning of the 1990’s, the relationship between the HR function and strategic goals of the organisation is a *one-way linkage*; the HR function designs systems to implement business objectives, but there is little opportunity to participate in strategic decisions (Golden & Ramanujam, 1985). This is acknowledged by most respondents, they claim that HR at that time did hardly anything more than administrative tasks. The results show that the HR function currently, in some cases, is a strategic business partner. This phase can be referred to as a *two-way linkage*; the relationship is interdependent, the HR function has a real contribution to the process of strategic decision making. The HR manager for ING in the Netherlands has a position as member of the board of directors in the Netherlands; he is the first HR manager that accomplished this. According to Paauwe (1996), “whether the human resource department is really part of this coalition depends on its perceived credibility and professional capabilities in the eyes of its main stakeholders”. In this respect, it should also be held into account
that there are differences between corporate HR and HR within the business lines. These differences also depend on the way in which respondents experience this. Furthermore, a few respondents acknowledge that there is still room for improvement; HR should be more pro-active and less docile to the business. Critical remarks about the HR function and their policies were mostly made by the two non-HR executive level managers. So, although most HR respondents thought HR was already becoming a strategic business partner, the non-HR managers were sceptical about this perception.

**HR and performance.** Changes in business like a stronger focus on the core business stress the necessity for the HR function to constantly prove their contribution to firm performance, otherwise they could be outsourced because they do not directly contribute to the core business. Empirical studies have found results that the effective use of HR practices can enhance firm performance (Huselid, Jackson & Schuler, 1997; MacDuffie, 1995). These studies are a reaction to the discussion within organisation about outsourcing departments that are not directly related to the core business of the firm. According to most respondents it is very important for HR to constantly prove their added value to the business. However, it is not obvious from the results whether respondents think HR already has an added value to the business. They do mention administrative excellence and knowledge of the business (both the context in which the business operates and the language of the business) as the most important ways in which HR can prove their added value.

**HR Roles.** Through the interviews it became clear that the four roles of the HR function by Ulrich (1997) are very well known throughout the organisation, respondents use and mention the different roles Ulrich defined. This is mostly due to the fact that they heard of it during ING business school and Ulrich has lectured for employees of ING as well. It is obvious that the focus within ING in the Netherlands on HR as a strategic business partner is inspired through literature. All roles are visible within the HR function, except for the role of employee champion. This is probably because these tasks and this HR role have been handed over to the line manager. The HR function went from an administrative expert in the beginning of the 90’s to a strategic business partner in 2006. HR is still not yet a fully strategic business partner, but the shift is being made and they are still in the process. When asked for current and future challenges for the HR function eight respondents mention being a strategic business partner as a challenge. So although the HR function within ING in the Netherlands has grown in this respect, according to respondents there is still room for improvements. The other roles are very obviously present within ING in the Netherlands. Due to the implementation of the ONE project, the role of administrative expert has been handed over to the shared service centres. Because there are still problems with ONE, there is still some work on the perfection of administrative tasks. Lastly, the HR function has been a change agent during changes like the merger, the development of an ING CBA, structural changes and changes in the external environment of ING within the Netherlands.

**Involvement of line management.** Scholars like Guest (1987) have argued that “line managers must accept their responsibility to practise human resource management although they may use specialist resources to assist in policy development”. From the results it shows that the involvement of the line
manager in HR tasks within ING in the Netherlands has increased. This is mostly due to the implementation of ONE. The implementation of ONE has been the reaction of corporate HR to changes occurring within the business, like a stronger focus on core business and changes in structure. It became obvious that HR too had to restructure and focus on the core business of HR; specialist knowledge of issues concerning the management of human capital. Administrative tasks were delegated to the shared service centre and other HR tasks became the responsibility of the line manager. A result of this increased responsibility of line management for HR tasks is that the line manager has to become a people manager instead of working along with his/her employees. This requires a different set of skills and capabilities than before. It is a challenge for the HR function to make sure that people with the right skills become managers and that employees who are currently managers obtain/learn the right skills.

*Downsizing, outsourcing & SSC.* In the past, most companies grew through mergers and acquisitions. Due to market consolidation, currently that became almost impossible and organisations have to find other ways to grow. Departments that do not directly contribute to the core business or are too costly are either outsourced or downsized. The discussion in literature about the depersonalisation of the HR function during the beginning of the 21st century is initiated by organisations. According to the results processes of downsizing and outsourcing are in place within ING in the Netherlands. Cameron (1994) claims that the most critical factor for successful downsizing is the effective management of the human resource system. The HR function handles general policies around negotiations and agreements with unions and arrangements for employees who have to leave. As said before, there is a strong commitment to the organisation and this can cause problems in these processes. However, according to most respondents ING always handles these issues very well. This is mostly due to the fact that ING is a wealthy organisation and because they have good agreements with the unions about this subject. Shared Service Centres is an issue that was often discussed in the interviews. Commissaris & Abbema (2004) identify three impacts of an SSC for the HR function; more strategic performance for HR, quality improvement and the necessity to critically review the design of the HR function. According to the results of this study the HR function increased their strategic contribution. However, because the SSC within ING was implemented relatively recently, there are still some start up problems and therefore quality improvement is not visible yet. Lastly, there has been a change in structure and design in the HR function within ING in the Netherlands. According to Ulrich (1995), the main drivers for implementing SSC are; to increase productivity, increase service & quality and technology. Respondents acknowledge that these are also the reasons for implementing a SSC within ING.

In table 3 the main findings about changes concerning the HR function within ING in the Netherlands are presented. This is not an exhausting overview, but shows the most important results.
Table 3: HRM within ING in the Netherlands: 1990 vs. 2006

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<tr>
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<th>1990</th>
<th>2006</th>
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<td><strong>HR Structure</strong></td>
<td>HR just a staff function</td>
<td>HR at the management table</td>
</tr>
<tr>
<td></td>
<td>Line manager not involved in HR</td>
<td>Line managers more HR activities</td>
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<td></td>
<td>Decentralization</td>
<td>Centralization</td>
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<tr>
<td><strong>HR Strategy and</strong></td>
<td>HR strategy not in line with business</td>
<td>HR strategy in line with business</td>
</tr>
<tr>
<td><strong>Policies</strong></td>
<td>strategy, Focus on administrative tasks</td>
<td>strategy, Focus on strategic contribution</td>
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<td></td>
<td></td>
<td>of employees</td>
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<tr>
<td><strong>HR roles</strong></td>
<td>Administrative expert</td>
<td>Strategic business partner</td>
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<td></td>
<td>HR generalist</td>
<td>HR specialist</td>
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<td></td>
<td>HR for the employee</td>
<td>HR supportive to manager</td>
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</table>
analysis will stay subjective. The researcher decided which text fragments referred to certain labels, how she interpreted the results and what conclusions can be drawn from certain results. The next limitations of this research concern the research population. It was a relatively small sample size and respondents were not chosen randomly, they were pointed out to the researcher by the executive assistant of the HR manager of ING within the Netherlands. Most respondents were at an executive level, but these people were mainly HR related. Only two executive level respondents were non-HR. This is not representative for the organisation; the view of the organisation is mostly given from an HR focus. Furthermore, there were only six respondents from an operational level and they were all HR employees. The researcher also recorded the interviews; this might have influenced the interviewee. People might have withheld from giving certain answers or on the contrary, have given certain answers because they thought that would be the “right answer”.

The final limitation to this research is the use of qualitative research for a research into the history of a department within an organisation. The starting point for this research was 1991, the year of the merger between NMB-Postbank and Nationale Nederlanden. Some respondents could not give any information about this time period because they had not started working for ING yet. For other respondents talking about the merger was not the problem, this was such a big event in the history of ING that they could remember well. The problem was with the period that followed, between 1991 and 2000. There seem to be no major events, besides international mergers and acquisitions; people could not remember much about this time period. From the year 2000, events are more current and people can remember current events better than events that occurred in the past. People also look back at the past, with their knowledge of the current situation. This can influence their view of events in the past.

**Future research**

A main recommendation for future research is that there should be more research into the history of an HR function. It is a useful and interesting way of learning about one’s own organisation and why certain decisions in the past led to policies, strategy, values, culture, norms etc. in the present. When in the future such research will be carried out and the researcher chooses to use the Contextually Based Human Resource Theory by Paauwe (1994, 1996, 2004) as a conceptual mode, it is advisable to research both of the dimensions. It is also advisable for future research into the history of an HR function to have less strict definitions for certain concepts so that there is room for results concerning factors that had not been expected in the beginning of the research. An example of this in this study is the use of critical incidents, identified after document analysis. During the interviews it became obvious that, according to respondents, societal and demographic developments were also very important, although these developments were not identified as such during document analysis. Another recommendation for future research is to do research that is cross-sectional. By doing cross-sectional research, results and conclusions can be better generalized to the whole financial sector. Next to cross-sectional research it is also advisable to do research that is longitudinal. In this research there was a problem with people who had to look back in the past, which was very difficult for them.
and subjective for the research. When doing research that is longitudinal, you get data about the current situation at that time. This is much more accurate than trying to find data about the past. However, doing research that is cross-sectional and longitudinal is costly and takes a lot of time. A solution would be to use this research and the study by Van Oirschot (2006) and extend these studies with data in the future and from other organisations. In terms of methods used in future research into the history of an HR function it is advisable to have a representative pool of respondents, with people from an executive level, an operational level and employees who experience decisions and policies of the HR function. It would also be advisable to do ‘member checks’, the codes derived from the interviews would be sent back to respondents to check to what degree they agree with these codes. A final recommendation is that it is of importance to use archival data next to doing interviews. A disadvantage of doing research by means of interviews is that respondents cannot remember some events. By the use of archival data, like annual reports, the researcher has inside knowledge they can use in the interview to remind respondent of certain events in the past.

Implications for practice and science
The scientific relevance is concerned with expanding the existing literature. This study has been explorative because there has not been much prior research into the history of an HR department within a firm. There have been many articles on the history of HR in general (Ulrich, 1997; Jamrog & Overholt, 2004; Ogilvie & Stork, 2003), but none of them specifically discuss the history of a particular HR department within a firm. The results of this research also offer a way of examining to what extend shifts within the field of HR are present within a multinational firm like ING. The roles identified by Ulrich (1997), for example, are all clearly present within ING, and within ING people are familiar with these roles. The uniqueness of this research lays in the fact that it uses a firm’s history to draw conclusions for the future. This research could be the start of a series in which the history of HR departments within organisations can be examined; perhaps then general conclusions could be formed about the development of HR functions within organisations.

The HR function within ING in the Netherlands can use the outcomes of this research as assistance for strategic HR decision making processes in the future. They can also use the results of this research as a communication tool towards their customers, the employees of ING in the Netherlands. This thesis will provide the organisation information about their administrative heritage, their configuration and how this has evolved over the time period 1990 until now. However one must take into account that the information cannot be used as an explicit guideline. This study focuses on critical incidents in the institutional context of ING and developments in the field of HRM, and whether these have had an influence on the HR function of ING in the Netherlands.

There are a few practical implications for ING in the short term:
1. In terms of culture, HR has to act as a change agent in times of change. This became obvious through the results about the merger, the ING CBA and social policies. Culture is one of the hardest things to change within an organisation. Culture differences within a multinational like ING are
inevitable; certain businesses are too different from each other. However, it is very positive to see and experience, that most people who started working for ING after the merger, do acknowledge that there are still differences but they also experience one ING culture. It is expected that in the future the differences will disappear because people who experienced the differences will no longer be working for the company. Nevertheless, a recommendation for HR within ING in the Netherlands is that they should continue focussing on this ‘ING culture’ and make employees aware of the fact that this culture exists and is valued. It is their responsibility to gradually fade out culture differences between the labels that are still in place. It is important that beneath these separate business cultures, employees experience one ING culture and believe and feel they are part of a bigger picture. In this respect, one “ING culture” is especially of importance as ING is becoming more of a global player. In order to position the brand “ING”, it is useful to have one “ING culture”. Next to these market considerations, openness plays a role. By being open about processes and culture within the organisation, or for instance about the results of this study, ING can show that they are a transparent company, compared to other firms within the financial market. Culture could be one of ING’s strengths in creating a sustained competitive advantage. This is especially significant with regard to the SCL dimension, by being open about your organisation; you can attract certain talents to the organisation. In these times of a tightening labour market this could be of vital importance.

2. The HR function within ING in the Netherlands should also gain more credibility from their stakeholders. This is necessary to go to the last phase described by Golden & Ramanujam (1985); the integrative linkage. The integrative linkage is critical for the HR function to become a true strategic partner in business. There are a few matters that are handled very well by the HR function, but these efforts seem to go unnoticed by the business. Firstly, it is the merit of HR that ING has a very good social policy and CBA, partly because it is such a wealthy firm and partly because negotiations with unions are handled very well. Corporate HR has even managed to build a strong long term relationship with union representatives, there is a stable sphere and the unions can be seen as an “HR business partner”. The HR function also processes changes in legislation very well; recent changes in legislation were not even noticeable for respondents. A recommendation for HR within ING in the Netherlands is that, in order to prove their added value, it is very important to constantly sell their products well. New social policies and CBA’s should be communicated to line management. This way, these line managers understand that without the work of the HR function in these matters, they would not have such good social policies and they would have problems in handling issues with unions.

There are two practical implications for ING in the future:

3. It is important for the HR function within ING in the Netherlands in the future as well, to continue to strive to become a true business partner; they should strive for an integrative linkage with the business. In order to accomplish this it is necessary for HR to constantly prove their added value to the business in a pro-active role. Two matters are especially of importance; administrative excellence and having knowledge of the business. Mainly, this means that the HR function should keep working on
refining their administrative processes, keep learning about the context in which the business operates and they should learn the language of the business.

4. Another implication for the future are the lessons that can be learned from the implementation of the project ONE. The main complaints about ONE are that it was implemented too fast and rigorous and there was too little support for managers. A lesson from this is that it is questionable whether such large changes in processes and structure of the HR organisation should be implemented so rigorously and fast as ONE was implemented. As said before, it remains to be seen whether such great changes should be implemented at once or that they should be the result of an organic restructuring of the HR function connected to changes in the business.

References


**Websites**


http://www.ing.com/group/showdoc.jsp?docid=092825_EN&menopt=abo%7Cfct

www.ing.nl

www.ing.com
Supplements
Supplement 1: Topic List

- Introductie van onszelf en het project

- Introductie van wat er in het interview besproken zal worden
  - Doelstelling van het onderzoek (proces uitleggen, weinig tijd e.d.)
  - Vertrouwelijkheid
  - Duur van het gesprek
  - Bezwaar tegen het maken van opnamen?

- Introductie van de geïnterviewde
  - Kunt u beknopt iets over uw huidige functie vertellen?
  - Hoe lang bent u al werkzaam bij de organisatie?

- Welke grote veranderingen hebben er plaatsgevonden na 1990?
  - Wat zijn de belangrijkste ontwikkelingen in de economische omgeving? (bv. Globalisering)
  - Wat zijn de belangrijkste ontwikkelingen op het gebied van wetgeving, vakbonden en werknemersorganisaties?
  - Wat zijn de belangrijkste ontwikkelingen op het gebied van technologie binnen ING in Nederland?
    - Hebben deze ontwikkelingen invloed gehad op de HR functie binnen ING in Nederland?
    - Kunt u hier voorbeelden van geven? (zowel economisch als wetgeving!)
    - Heeft de fusie met NMB-Postbank en Nationale-Nederlanden invloed gehad op de HR functie? (systemen, rol, structuur)

- Wat was de algemene strategie van deze organisatie en wat is deze strategie nu?
  - Wat was het HR beleid en wat is het HR beleid nu?
  - Sluit de HR strategie aan op de business strategie?

- Hebben er vanaf 1990 veranderingen plaatsgevonden in de organisatiestructuur en inrichting van de organisatie? (bv. Decentraal vs. Centraal)
  - Wat is/was de invloed van deze veranderingen op de HR functie? (systemen, rol, structuur)?
  - Kunt u hier voorbeelden van geven? komst Michel Tilmant en Wilbert Buiter, governance structure
- Hoe zou u, in het kort, de cultuur van deze organisatie omschrijven?
  o Hoe heeft deze cultuur zich in de loop der jaren ontwikkeld, zijn er verschillen te noemen tussen nu en 15 jaar geleden?
  o Zijn er verschillen tussen verschillende units (bv. Postbank vs. NN)?
  o Hoe hangt de cultuur samen met HR?

**HR markers:**
- Wat zijn huidige en toekomstige uitdagingen voor de HR functie binnen ING in Nederland?

- Ziet u een verschuiving in de positie van de HR functie t.o.v. het verleden?
  o veranderende rol HR (Ulrich) / competenties
  o positie van HR (directeur binnen mt) op strategisch besluitvormingsniveau
  o Rol van de lijnmanager
  o Downsizing
  o Outsourcing
**Supplement 2: Topic List in English**

**Interview topics**

- Introduction of the students and the project

- Background of the interviewee and the number of employment years with ING.

- Have there been major changes within the organisation, since 1990?
  - Have these changes had an influence on the HR function within ING in the Netherlands?

- What are the most important developments, since 1990, within the economic environment of ING?
  - Have these developments had an influence on the HR function within ING in the Netherlands?

- What are the most important developments, since 1990, within the institutional environment of ING?
  - Have these developments had an influence on the HR function within ING in the Netherlands?

- Have there been important developments in technology within the organisation, since 1990?
  - Have these developments had an influence on the HR function within ING in the Netherlands?

- What is the strategy for HR within this organisation?

- Have there been changes in the structure of the organisation since 1990?
  - Have these changes had an influence on the HR function within ING in the Netherlands?

- Can you describe the culture of this organisation?

- What are present and future challenges for the HR function within ING in the Netherlands?

- Has there been a shift in the position of the HR function compared to the past?
Supplement 3: Organisational Chart HR function within ING.

Figure 5: Organisational chart HR function within ING.