

# The Vital Roles of Human Resource Professional: A Study on the Manufacturing Companies in Malaysia

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## ABSTRACT

*This study examines the vital roles of Human Resource (HR) professionals play in the manufacturing companies of Malaysia. The Ulrich's HRM Four-Role Model is used in this study. The various roles that are examined are those of the strategic partner, change agent, administrative expert and employee champion. All these roles will be tested whether or not they are significantly related to a firm's performance. This study also examines the potential barriers that hinder the HR professional*

*from being a strategic partner in an organization. The sample employed here consists of HR professionals from Malaysian manufacturing companies in the southernmost state of Malaysia, Johor. The total number of firms involve in this study are 32 respondents. Questionnaires were sent to the human resource managers or the person in-charge of HR functions in each of these firms. This study uses quantitative method such as spearman rho correlation and multiple regression analysis to test the variables. The finding shows that the role of an administrative expert and employee champion obtained highest score in this study. All HR roles are tested and are significantly related to firm performance except the roles of administrative expert. Furthermore, it is found that role of employee champion and strategic partner contributes most to firm performance. This study also found that the main barrier that hinders HR professional to play strategic roles in an organization is they have no time to address both administrative and strategic issues.*

## INTRODUCTION

Human Resource (HR) is emerging as the key concept in assessing the competitive assets of organizations. HR managers and professionals, by virtue of their knowledge of human performance, are well positioned to exercise strategic leadership and contribute significantly to a firm's competitive advantage. This paradigm shift concerning the value of human resources will therefore create opportunities for the HR function to develop a more strategic role in a firm's operation (Lawler & Mohrman, 2003).

There has been much discussion in recent years concerning how HR professionals must assume a strategic role in the area of human resource management (Allan, 2002). Pinola (2002) offers us a valuable lists the tasks that current CEOs should expect from HR. Some of the important tasks stressed are the HR professional's role in major change initiatives such as strategic planning, reorganizing and system implementation. Apart from that, HR professionals are expected to develop an awareness and understanding of the business so that they may earn the right to seat at the corporate table.

Researchers have contended that the concept of strategic human resource management has evolved into a bridge between business strategy and the management of human resources (e.g. Butler et al., 1991; Lengnick-Hall, 1988). During the last decade, the personnel/HRM field has shifted from a micro focus on individual HRM practices to a debate on how HRM seen as a more holistic management approach may contribute to the competitive advantage of the organization (Fey et al., 2000).

Many HR professionals have become successful by ensuring that proper policies and procedures exist and by advising managers on what can and cannot be done. Unfortunately, HR is often perceived as being in the way of progress, kept out of key business decisions and expected to respond merely to day-to-day crises. Viewing HR as a barrier, some companies are eliminating the function altogether, moving all "people" tasks to managers. During the recent years, some say that HR played a seemingly invisible role and that attention to corporate governance and executive compensation was sadly neglected. Perhaps the HR executives were themselves too weak politically to be champions of organization transformation. Therefore, there were many barriers that HR professionals needed to surmount to be truly a strategic partner (Mondy & Noe, 2005).

HR needs to play an active and guiding role in enabling a company to choose its people well, invest them with the proper responsibilities, support their growth and respect their needs in order to achieve an organization's strategic business objectives. This vital role requires competence in HR leaders that will create and sustain a flexible and adaptive workforce (Gomez-Mejia, 2001).

Based on the increased interest in the relationship between human resource management (HRM) and organizational performance, many researchers have heightened interest in the kinds of roles the HR professionals should play in order

to add value to their firm's performance (Huselid, et al., 1997; Teo, 2002; and Boselie, et al., 2004). Worldwide socio-economic developments, such as globalisation, increasing speed in the service sector of the economy, changes in workforce demographics, focus on customer loyalty and emphasis on effective financial performance, challenge the HR function in its role as the creator of added value to the organization (Brockbank, et al., 2002).

Many researchers have highlighted the importance of the HR role in an organization (Bhatnagar & Sharma, 2005; Aitchison, 2007; Fegley, 2002). A recent study by Pietersen & Engelbrecht (2005) carried out in South Africa shows that there is a positive relationship between business related competencies and their strategic relationship to the contributions made by HR professionals. The two variables appear to be inter-related, as both are very important factors that enable HR professionals to contribute to their organizations success.

Apart from studies conducted on HR roles in the West since mid 1990s, there is a growing need to determine the readiness of the HR professionals to play more strategic roles especially in the context of Asia (Bhatnagar & Sharma, 2005 ; Chen et al., 2003 ; Selmer & Chiu, 2004 ; Khatri & Budhwar, 2001) . In the Malaysia context very little research has been done to address the above HRM issues. A significant study attempted to look into a Malaysian firm (Rozhan and Zakaria, 1996) a decade ago, but it did not give much support to the contention that HRM practices of organizations are distinctly related to the success of the business. The results of this study shows that HRM practices tend to centre on the form of the job descriptions and selection methods used by firms. This indicates that HR professionals are merely playing the role as an administrative expert and not as a strategic partner.

## REVIEW OF THE LITERATURE

### Strategic Human Resource (HR) Roles

There has been a dramatic shift in the role of human resource management (HRM) in recent decades. Traditionally, the human resource function has been viewed as primarily administrative, focusing on the level of the individual employee, the individual job, and the individual practice (Becker, Huselid, and Ulrich, 2001), with the basic premise that improvements in individual employee performance will automatically enhance organizational performance. In the 1990s, an emphasis on strategy and the importance of human resource (HR) systems began to emerge. Both researchers and practitioners began to recognize the impact of aligning HR practices with organizational strategy. HR has now emerged as a strategic paradigm in which individual HR functions, such as recruitment, selection, training, compensation, and performance appraisal, are closely aligned with each other and also with the overall strategy of the organization. This new approach of managing human resources has generated much interest among scholars.

In the past, HR was not perceived as making a significant impact on organizational success (Sims 2002). Consequently, HR was accorded a low status in many organizations, and often lacked a distinct identity. However, this situation has changed in the past decade (Lawler and Mohrman 2003). The role and influence of HR have increased substantially.

Scholars argue that HR can be a source of sustainable competitive advantage for an organization (Wright et al. 1997). Consequently, a firm's HRM function, which has significant responsibility in managing this important resource, should receive greater commitment from the organization. However, in the studies by Barney and Wright (1998) it is pointed out that, in reality, the scenario is quite different, and they note that one of the reasons why HRM executives are not invited to the strategic planning table is that they are perceived as lacking the required competencies. Khatri and Budhwar (2002), suggest in their research that the competency level of HR managers has a major influence on the level of integration between the HR function and strategy (Khatri and Budhwar 2002).

Rowden (1999) suggests that the very nature of the planning process opens the possibility of a variety of roles for the HR professional, including those of advocate, stakeholder, and facilitator. The role as advocate allows the HR professional to be an initiator in the strategic planning process, a proponent of its virtues, and a driving force in its successful conclusions. The role as stakeholder represents the organization's HRM needs in the planning process. The role as facilitator serves as an enabler of the process to help overcome some of the commonplace problems that emerge in the process.

### The Ulrich Human Resource Management Four-Roles Model

The model of this research is linked to the Four-Roles Model first presented by Conner and Ulrich (1996), and later by Ulrich (1997). In the latter study, Ulrich's conceptual framework for the Four-Role Model consists of two main dimensions. The first reflects the continuum from an operational (present) focus to a strategic (future) focus, while the second reflects the conflicting demands of people and processes (Ulrich, 1997, Conner & Ulrich, 1996). Ulrich (1997) states that HR can help deliver organizational excellence by means of four methods. First, HR should become a partner with the management of the firm in helping with strategy execution. Second, HR should contribute expertise in the efficient and effective performance of work, so that costs are cut and quality is maintained. Third, HR should represent the concerns of the employees to senior management as well as working with employees to increase and ensure their ability to contribute to the organization through their competence and commitment. Finally, HR professionals should

continually contribute to the process of change and help improve the organization's capacity to do so (Ulrich, 1997). The four roles that emerge from this quadrant and four ways HR professionals can contribute, based on two continual axes, are shown in Figure 1.



**Figure 1. The Ulrich Model**

Source : Ulrich, D. (1997). "Human Resource Champions: The Next Agenda for Adding Value and Delivery Results". Harvard Business School Press.

### a) The Role of Strategic Partner

According to Ulrich (1997), the key to the HR role as a strategic partner is the participation of HR in the process of defining business strategy, not merely responding to the strategy edicts presented by "senior management". HR professionals become strategic partners by asking questions and designing HR practices that effectively and efficiently align themselves with the strategy of the business (Ulrich & Eichinger, 1998; Ulrich, 1997). In this capacity, HR professionals must be capable of identifying and implementing those practices that facilitate strategic business success. Ulrich (1997) defines strategic human resources as the process of linking HR practices to business strategy. That is to say, strategic HR is owned, directed, and used by line managers to make effective HR strategies happen. Strategic HR enables the transition from business strategy to organizational capability to HR practice (Ulrich & Eichinger, 1998; Ulrich, 1997). "HR strategy" is to be differentiated from strategic HR in that it builds an agenda for the HR function and as an agenda for the business at large (Ulrich, 1997).

Eisenstat (1996) points out the paradox of pressures in such a role when discussing the line executives' desire for HR professionals to serve as strategic partners, while also expecting them to perform the administrative and control functions traditionally relegated to HR. Ulrich & Eichinger (1997) discuss the need for HR professionals to read and understand annual reports, present product and service capabilities, describe financial results, and represent the firm externally. They argue that the true business partner plays each of the four roles in the Ulrich Model to some degree and that the importance is in playing each of the roles appropriately and to the exclusion of some over others. Csoka (1995) determines through a study of 314 corporations that 81% of HR executives believe that their organizations have established a business partnership role with the internal customers of the organization. Ulrich (1997) also recognizes the tensions that exist between and among various roles. The role of strategic partner inherently implies that HR professionals work as equals with an organization's managers in developing, refining and implementing strategy. This places an HR professional and a firm's managers in potential conflict when the former tries to work as an employee champion or advocate, taking a more employee-centric view. Additionally, the employee champion role may place HR professionals in conflict with management, as they may appear to be the voice and advocate of the employees. It is important, in Ulrich's (1997) view, to be able to clearly perceive and carefully manage these dual roles.

### b) The Role of Administrative Expert

The management of the firm's infrastructure, captured in the term of administrative expert according to (Ulrich, 1997), requires HR professionals to design and deliver efficient HR processes for staffing, training, appraising, rewarding, promoting, and otherwise managing the flow of employees throughout the organization (Ulrich, 1997). As stated previously, Huselid and others (1997) point out that the levels of current technical practices in HRM are higher than those of strategic HRM practices. However, they go on to state that the firm must have at least moderate levels of technical HRM practices to be successful in strategic HRM implications (Huselid, et al., 1997). It is further pointed out by Ulrich (1997) and Arthur (2001) that moving to a more strategic role cannot be performed at the cost of neglecting the basics of good human resource management practices. Whether this expertise is entirely within the firm or the firm chooses to outsource specific functions, the requirement for administrative expertise is ever present (Fitz-em, 2000).

This concept is not the same as the earlier expectations of the HR function, which were primarily administrative with a focus on providing control, compliance, and consistency (Ehrlich, 1997). The important objective in this role is to make every effort to ensure that organizational processes are designed and delivered with the utmost efficiency. Further, this role is centered not only on improving the function of the HR organization but also the entire organization as well (Ulrich, 1997).

Ulrich (1997) believes that, to be effective as an administrative expert, continual re-engineering of work processes must occur. Beach (1980) writes of the HR role of the 1980's and focuses closely on the area of administrative HR services. He gives numerous examples of HR functional responsibilities and tasks that reflect the traditional flavor of HR (Beach, 1980). The difference between the HR role of Beach (1980) and Ulrich's administrative expert is that Beach focuses on effectiveness without addressing the strategic potential of such an effort. Ulrich and Eichinger (1997) state that HR investment should focus on value creation; and that, in order to make this to take place, HR professionals must master the basics of human resource management. The major implication of this research by Ulrich and Eichinger (1997) is that administrative work must be done but HR professionals must search for new and innovative ways to perform it.

### **c) The Role of Employee Champion**

The management of the contribution made by employees occurs through the performance of the role of "employee champion" (Ulrich, 1997). An HR professional as employee champion strives to understand the needs of the employees, attempts to meet those needs, and provides every opportunity to increase employee commitment. Ehrlich (1997) points out that one of his six principles for HRM creating value is through the relationship role as well as being an outspoken advocate of employee interests with a balance towards the needs of the business. Further, Ehrlich (1997) continues that thought by stating that the primary role is to create an employee-friendly environment committed to the success of the enterprise that employs them. This is described as HR professional's role as one who deals with the day-to-day problems, concerns and needs of employees (Conner & Ulrich, 1996). Increased employee contributions and commitment are the products of effective HR professionals as they function in this role (Ulrich, 1998; Csoka, 1995). Spending time with employees and training managers in how to better behave in an employee-centric way can help further the effort to acknowledge human capital as an important asset to the company (Csoka, 1995).

HR professionals in this role must learn by effectively listening, responding and finding ways to provide employees with the tools, processes, and policies they need to succeed (Ulrich, 1997). Bowen (1986) clearly posits that more satisfied customers are obtained when HRM practices for managing employees are implemented effectively. Ulrich (1997) points out that HR can play a critical role in helping deal with morale problems through effective hiring practices or providing additional support, giving employees more control over their work, and presenting effectively the employee's position to management.

### **d) The Role of Change Agent**

In Ulrich's (1997) view, the management of transformation and change falls squarely in the HR role of change agent. Kesler (2000) writes that the role of HR in driving changes varies among organization, but if the HR community does not strongly define the process and priorities of the change effort, it is not an effective player in the organization. More closely defined, the change agent role refers to helping the organization build a capacity for change (Conner & Ulrich, 1996). Indeed, Csoka (1995) reports that 65% of HR executives in a study of 314 large corporations believe that the role of change agent is important. Greene (2001) argues that, as it deals with the culture of an organization, HR is uniquely positioned to take responsibility for this role in the firm. Csoka (1995) further suggests that HR professionals can add significant value through the management of the change processes in an organization. Ehrlich (1997) adds that the human resource department must anticipate change and be knowledgeable in its implementation. He points out that HR professionals should not consider themselves self-appointed change agents, as by doing so they may undermine their effort to enable change (Ehrlich, 1997). Unlike Ulrich (1997), Baird and Meshoulam (1988) write that as an organization grows, its needs change and that by understanding how an organization changes, senior management and HR professionals can understand how HRM must change. This implies that HR change occurs after organizational change, indeed as a result of it (Baird and Meshoulam, 1988). Further, Baird and Meshoulam (1988) assert that human resource management effectiveness depends on its fit with the organization's stage of development and that, as the organization grows, HRM practices and procedures must evolve to meet those needs.

"Culture" is defined by Jackson and Schuler (1995) as the societal forces that change behavior where members of a group share a way of life based on common values, attitudes, and paradigms. Rogg, Schmidt, Shull and Schmitt (2001) write that cultural values influence the types of HR systems that are developed or adopted by an organization and that these systems determine an organization's climate. This climate then affects employee attitudes and behavior and organizational effectiveness (Rogg, et al., 2001). Ulrich (1997) defines "transformation" as fundamental cultural change within the firm. The effort to change the culture of an organization, specifically the corporate culture, is a significant one, recognized by Ulrich (1997) as perhaps the hardest and most important challenge. Ulrich (1997) specifies four strategies that can be implemented in an effort to bring about such a change. The first is to define and clarify the culture change concept. The second is to articulate why such a culture change is central to business success. The third step is to outline a process for determining the current culture and evaluating the gaps between the current and the desired culture. The fourth and final step in the process is to identify approaches that are capable of creating a new culture (Ulrich, 1997).

According to Ulrich (1997), “change” is not simply a change in initiatives and culture but also the ability of an organization to improve and implement initiatives that are beneficial to the organization’s long term success. Change agents build commitment for change, the processes by which it is achieved, and the ultimately the form of the intended change. The change agent, according to Ulrich (1999), ensures change initiatives that are either focused on creating high-performing teams, reducing cycle time for innovation, or on implementing new technology are defined, developed and delivered in an effective and efficient way. Further, Ulrich (1997) believes that the change agent role includes the effort to transform broad mission and vision statements into specific policies that can be translated into action.

### **The Relationship between HR Roles and Firm Performance**

One of the first attempts at categorizing of HR roles was made by Nadler (1970 cited in Bhatnagar & Sharma, 2005) in the USA. In that study he identifies two primary roles of learning specialist: administrator role and the consultant role. Thereafter, Ulrich (1997) came up with a well accepted model on roles to be played by HR professional that added value to an organization. According to Ulrich (1997), roles for HRM professionals were traditionally viewed in terms of the transitional form such as operational to strategic; qualitative to quantitative; policing to partnering; short term to long term; administrative to consultative; functionally oriented to business oriented, etc. In order to create value and deliver results, HRM professionals must begin not by focusing on the activities or work of HRM but by defining the deliverables of that work. Deliverables guarantee the outcome of HRM work. In terms of deliverables, there are four key roles that HRM professionals must fulfill in order to make their business partnership a practical reality (Bhatnagar & Sharma, 2005). These are the roles of Strategic Partner, Administrative Expert, Change Agent and Employee Champion, which were discussed earlier.

However, few concrete studies exist that clarify how the HR roles work to achieve performance improvement of an organization (Bhatnagar & Sharma, 2005). Researchers in the field of strategic human resource management (SHRM) have increasingly relied on the resource-based view of the firm to explain the role of human resource practices in firm performance (Wright et al., 2001). Huselid’s (1995) study on the relationship between HRM practices and corporate financial performance is the landmark work in this area. This was soon followed by similar research conducted by Huselid et al. (1997), Guthrie (2001) and Menefee et al. (2006). Huang (2000) in his study of 315 Taiwanese firms, found support for the assumption that human resource strategies and organizational performance are significantly related. On the other hand, Som (2002) reports in his study of fifty-four organizations in India that the role of the HR department is positively correlated with organizational performance, and the HR department plays a significant role in the adoption of the ‘best practices’ within an organization.

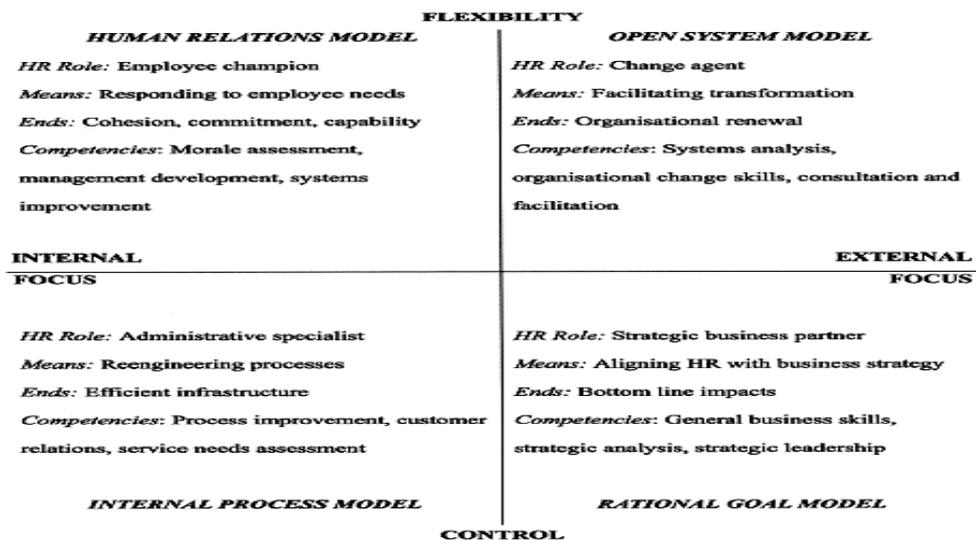
Numerous authors have suggested the need for a better understanding of the processes through which HR practices might have an impact on performance (Becker and Huselid, 1998; Dyer and Reeves, 1995; Becker et al., 1997). While a number of models have been proposed (e.g. Becker and Huselid, 1998; Dyer and Reeves, 1995; Truss and Gratton, 1994), very little empirical research has examined the links between these multiple potentials.

Bhatnagar and Sharma (2005) in their study try to test whether strategic HR roles have positive relationship with the organizational learning capability that is the predictor to firm performance. Sharma and Bhatnagar (2005) uses Ulrich’s HRM Four-Roles Model in their study and found that strategic HR roles and organizational learning capability are positively related to each other, and that the business partner role of HR does associate positively with learning capability of the samples.

Denison and Misha (1995) note that an organizational culture that is marked by flexibility, adaptability and external focus is positively related to sales growth and organizational performance. The same study shows that control and external focus is positively related to profitability, sales growth and organizational performance. Therefore, this study highlights the importance of the HR role as a change agent that constantly that helps to adapt to the external business environment and so improve a firm’s performance.

Hart and Quinn (1993) in their study of leadership roles find a positive relationship between the role of analyzer (corresponding to internal process model HR professional plays a role as administrative specialist) and organizational and business performance.

Panayotopoulou & Papalexandris (2004) have carried out a study on 229 Greek and multinational industrial company of different sectors that examines the link between human resources management orientation and a firm’s performance by using the competing values framework (CVF), as shown in Figure 2. The results of this study show that the orientation of external focus and control combination has a strong positive relation with growth/innovation and organizational performance. External focus and control orientation will only be successful if HR professionals play several critical roles such as change agent, strategic business partner and administrative specialist. Another finding in this study is that the internal focus and flexibility orientation is positively related to organizational performance. Base on the CVF, internal focus and flexibility orientation is link to HR roles such as employee champion, change agent and administrative specialist.



**Figure 2. Competing Values Framework for HRM**

Source : Panayotopoulou, L & Papalexandris, N. (2004).

### THE PURPOSE of STUDY

The purpose of this study is to attempt to understand better the Human Resource (HR) professional's roles in the manufacturing sector of Malaysia. Further, these findings are closely examined in order to determine if they are linked to a firm's performance. In this research, the tool of Ulrich HRM Four Roles Model, which has been designed by Dave Ulrich (1997), is used to assess HR roles among the HR professionals. The HR professional need to endure and overcome many barriers to reach the ultimate goal of becoming a strategic partner in his of her organization. Furthermore, the study from Lawler and Mohrman (2003) confirms that HR department plays a major role in influencing business strategy only in cases where HR management is a full strategic partner. This finding suggests that the HR executive who understands business strategy is more likely to develop HR processes and systems to support the implementation of that strategy.

It is hoped that by making this examination, we will be able to develop a more realistic picture of the roles played by the HR professionals in the manufacturing firms of Malaysia.

### RESEARCH METHODOLOGY

#### Sample

The sample employed here consists of HR professionals from Malaysian manufacturing companies. All respondents work for manufacturing companies in the southernmost state of Malaysia, Johor. These industries were chosen because they are relatively large.

The list of firms in the manufacturing sector was drawn from the "FMM directory of Malaysian Manufacturers 2007." No specific manufacturing industries were focus upon, e.g., electronics/electrical, textile, food, plastics, or the like. Only firms with at least 50 full-time employees were studied. This is because other studies have shown that firms with smaller employment size are less likely to have HRM departments (Rozhan, 1996). Since this directory did not provide information regarding the size of the firms, all firms in these industries were included. Out of the entire list in the directory, the research focused on a sample population in the Southern region of Malaysia (the State of Johor). A total of about 300 firms were included in the list for this area. The total number of firms involve in this study are 32 respondents. This number of respondents is acceptable base on the "percentage rule of thumb" sample size. In this method, a sample's size must be at least 5% of the sample population.

Questionnaires were sent to the human resource managers or the person in-charge of HR functions in each of these firms. The cover letter accompanying the questionnaire clarified that in organizations not having a HRM department, the questionnaire was to be answered by the most senior manager responsible for human resource affairs. The survey form was e-mailed to the person in-charge after confirmation was received from the person in-charge of the organization by telephone. If it was so requested, the researcher met with the respondent, so that the contents of the survey form could be explained. The completed survey forms were returned to the researcher through e-mail or collected personally from the respondents.

## The Instrument

The data collection instrument (*Ulrich's HRM Four-Role Model Survey*) to be used in the first part of this research was developed by (Conner & Ulrich, 1996) in order to test the theoretical model of HR roles discussed in Conner and Ulrich (1996) and Ulrich (1997). The instrument used in this study is a survey designed to determine the existence, and the extent, of the four HR roles outlined by Ulrich (1997) and Conner and Ulrich (1996). The instrument was developed by Conner and Ulrich (1996) and utilized, initially, as a method of determining the extent of application of the four roles proposed by Conner and Ulrich (1996).

The 40 items in the instrument were arranged in groups of four (Strategic Partner, Administrative Expert, Employee Champion, Change Agent). Each set of four items had a common introductory piece and each of the four items that followed corresponded to one of the four roles. A Likert scale was used on the questionnaire with the following ratings: 1 = To very little extent, 2 = To little extent, 3 = To some extent, 4 = To a large extent, 5 = To a very large extent. Conner and Ulrich (1996) found that the survey instrument provided reliability for the measurement of HR roles. It was further determined that the survey has both content and construct validity (Conner, 1999). The Cronbach alphas in the Conner (1999) study were all greater than 0.82.

Firm performance has been measured by means of the self-reported rating of the respondents concerning the indicators of financial and operational performance, sustainability of profits, staffs turnover and the opportunity for growth for staff. A Likert scale is used on the questionnaire with the same rating scale as above. However, for negative questions, the rating procedures are opposite. The respondent was asked to choose the number that accurately represented their firm's performance. There are 5 items in this section that assess a firm's performance. The research makes use of three negative questions to ensure reliability.

This research instrument has also obtained information on barriers of strategic HR of the respondents. The respondents have been asked to choose the statement that is most relevant in their workplace as it pertains to barriers to adopting strategic roles in their organization. A Likert scale is used on the questionnaire with the following ratings, "1-strongly disagree", "2-disagree", "3-moderately agree", "4-agree" and "5-strongly agree."

No research is able to completely eliminate measurement error, but he or she can reduce it in several ways, such as by conducting a pilot study. Since the measurement error is reduced, the reliability of the measurement technique is increased (Frey et al., 2000), and so a pilot study was done to test the research instrument in this study. The researcher of this study has used Cronbach alpha co-efficient method for this purpose. The result of the reliability test shows that the alpha value base in each domain of the instrument is between 0.68 to 0.92. The components that are tested are : strategic partner (alpha = .75), administrative expert (alpha value = .76), employee champion (alpha value = .85), change agent (alpha value = .92), firm performance (alpha value = 0.86) and barriers in adopting strategic roles (alpha value = 0.68). According to Kerlinger (1973), any measurement instrument should have reliability value of more than 0.60; while Frey, Botan and Krep (2000) stress that a measurement instrument can be considered reliable if the results are consistent from one time to another and that the reliability value is 0.70 or greater. Therefore, from the alpha value obtained, we can conclude that the research instrument is reliable and consistent.

## ANALYSIS

**Table 1. Sum and Mean Scores fore Each Domain of HR Roles**

	N	Sum	Mean	Std. Deviation
Strategic Partner	32	1105.00	3.45	.58
Administrative Expert	32	1333.00	4.16	.45
Employee Champion	32	1320.00	4.12	.75
Change Agent	32	1028.00	3.21	.71

Table 1 shows that the highest sum and mean score of HR roles is that of the administrative expert. It obtained sum score of 1333 out of maximum score of 1600 (10 items x 5 points of maximum score per item x 32 respondents). It has also the highest mean score per item of 4.16 out of maximum mean score of 5.0 (5 points of maximum score per item). HR role of employee champion ranks second with sum score of 1320 and mean score of 4.12. Strategic partner role is ranked third with sum score of 1105 and mean score of 3.45. Change agent role is ranked last with only obtaining score of 1028 and mean score of 3.21.

One of the objectives of the study has been to identify the roles of majority HR professionals play in the manufacturing sector in Malaysia. Table 3 shows that the highest sum and mean score of HR roles is that of administrative expert. It has the highest mean score per item of 4.16. HR role of employee champion rank second with mean score of 4.12. These findings are similar with the study by Conner and Ulrich (1996), which indicates that the scores are higher for the employee champion and administrative expert roles and lower for the strategic partner and

change agent roles. This might be expected, based on the previous research, the HR function is stronger in the day-to-day operational area than in the strategic or change agent area (Conner & Ulrich, 1996).

This finding also supports the study by Raub, et al. (2006), which analyzes data on Ulrich's HR roles by looking into work time spent in various roles and various degrees of involvement in decision making. This research found that unit level managers tend to focus on their role as administrative experts and employee champions.

The result of our research provides clear evidence of a lack of strategic HR orientation in the manufacturing sector in Malaysia. Generally, HR professionals in this sector seem not playing their roles as a strategic partner and a change agent. This is similar to the scenario in the West in the mid-1990s.

**Table 2. Relationship of HR Roles and Firm Performance**

Spearman's rho analysis		Firm performance
Strategic Partner	Correlation Coefficient	0.493**
	Sig. (2-tailed)	0.004
	N	32
Administrative Expert	Correlation Coefficient	0.27
	Sig. (2-tailed)	0.134
	N	32
Employee Champion	Correlation Coefficient	0.394*
	Sig. (2-tailed)	0.026
	N	32
Change Agent	Correlation Coefficient	0.521**
	Sig. (2-tailed)	0.002
	N	32

\* Correlation is significant at the 0.05 level (2-tailed).

\*\* Correlation is significant at the 0.01 level (2-tailed).

As shown in Table 2, not all HR roles (Strategic partner, change agent, employee champion and administrative expert) have a significant correlation with a firm's performance. HR roles such as strategic partner, employee champion and change agent have significant correlation with firm performance. These roles obtained Spearman's rho value at 0.493 ( $p < 0.01$ ), 0.394 ( $p < 0.05$ ) and 0.521 ( $p < 0.05$ ). However, there no correlation is found between administrative expert and a firm's performance. This HR role obtained Spearman's rho value at 0.270.

Bhatnagar and Sharma (2005) study to test whether strategic HR roles have positive relationship with organizational learning capability which is the predictor to firm performance, used Ulrich's HRM Four-Roles Model to find that all HR roles (strategic partner, administrative expert, employee champion and change agent) are positively related to one another.

Denison and Misha (1995) in another study stress that HR professionals need to focus in shaping organizational culture. An organizational culture that is marked by flexibility, adaptability and external focus is positively related to sales growth and organizational performance. The same study shows control and external focus being positively related to profitability, sales growth and organizational performance. Therefore, Denison and Misha (1995) highlighted the importance of the HR role as a change agent, which helps a firm to adapt to the external business environment, as important for the improvement of a firm's performance.

**Table 3. Multiple Regression Analysis of HR Roles on Firm Performance**

Variables	Beta value	R	adj R sq
		0.593	0.256
Strategic partner	0.322		
Administrative expert	-0.452		
Employee Champion	0.507		
Change agent	0.242		

ANOVA(b)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	7.827	4	1.957	3.668	0.016(a)
Residual	14.402	27	0.533		
Total	22.229	31			

a. Predictors: (Constant), Strategic partner, Administrative expert, Employee champion, Change agent

b. Dependent Variable: Firm performance

The above results, which show the F value at 3.668 ( $p < 0.05$ ), indicates that the combination of these variables (HR roles) significantly ( $p < 0.05$ ) predicts the dependent variable (firm performance). Table 3 also shows that this analysis obtained R value of 0.593. This indicates that there is a moderate linear correlation among independent variables. The adjusted R square of 0.256 indicates that 26% of the variance can be predicted from the independent variables. The beta value shows that out of all HR roles, the highest contribution to a firm's performance is employee champion and strategic partner. This permits us to conclude that HR needs to play a dual role, both as employee champion and strategic partner, in order to give ultimate value to organization. However, these two roles conflict in certain ways, as mention by Ulrich (1997).

Ulrich (1997) recognizes the role of strategic partner inherently implies that the HR professional's work is on a par with an organization's managers in developing, refining and implementing strategy. This places an HR professional in potential conflict when trying to work as an employee champion or advocate taking a more employee-centric view. It is important, in Ulrich's (1997) view, to be able to handle and manage these duel roles.

	Rank	Sum	Mean	Std. Deviation
Lack of support from line manager	4	74	2.31	.738
Inability to measure impact on bottom line	3	74	2.31	1.061
Lack of knowledge and competencies	2	96	3.00	1.218
No time to address both administrative and strategic issues	1	120	3.75	1.191
Lack of involvement in setting corporate goal	5	91	2.84	1.110

In this research, it has been found that the two major barriers that keep of HR professional from being a strategic partner are "no time to address both administrative and strategic issues" (mean score of 3.75) and "lack of knowledge and competencies" (mean score 3.00).as shown in Table 4. Similar findings are reported in a survey done by Aitchison (2007), which shows that the lack of knowledge and competencies are the major barriers to be surmounted by HR professionals. In another survey reported by Fegley (2002), one important finding is that HR professional are spending too much time on administrative tasks that are not strategic. He stresses in his report that HR professionals can overcome these administrative burdens by outsourcing some of these functions or by hiring staff that is dedicated to strategic initiatives, thus providing their HR department with a better opportunity to focus on strategic initiatives.

### **THE IMPLICATIONS OF THIS RESEARCH**

Base on these empirical findings, this study has been able to provide a more detailed understanding of the HR roles of a HR professional in the Malaysian manufacturing companies. The study also identifies the main factors of HR roles that contribute to a firm's more effective performance. Moreover, with the use of quantitative research methods, the results of this study have attained a higher degree of consistency due to the reliability of its research instrument. This has allowed this study to yield a better understanding of what kind of HR roles are exhibited by HR professional and the variables that influence a firm performance.

In addition to this contextual contribution, this study was able to identify two further implications, those for the CEOs of the organization and those for HR Professionals.

#### **Implications for the CEOs of Organizations**

This study indicates that HR Professionals in the Malaysian manufacturing sector are still weak in certain roles such as strategic partner and a change agent. Indeed, HR professional in a manufacturing company in Malaysia often lack of the knowledge and competencies that would allow them play a more strategic role in the organization.

To overcome the above problem, this research suggests the following action to be taken by CEOs :

- a) Get HR personnel involved in the operations meetings in order to enable them to understand more fully the operational needs of the company.
- b) Allocate funds to upgrade HR personnel competencies, especially in the area of business related knowledge such as marketing skills, financial accounting skills and operations management knowledge.
- c) Give HR personnel an opportunity to become involved in the process of setting corporate goals and policy planning.
- d) Get HR personnel involved in the operations meeting and so to enable them to understand better the operation of the company.

- e) Invest in an effective HR information management system. This is vital to ensure that HR personnel spend less time on administrative tasks. This can allow HR personnel to play more strategic roles by linking HR policies to business strategy.
- f) Consider allowing line managers to play more of a “HR role” in the organization. There HR personnel will take on the function of a coordination and information resource center. HR tasks that might be delegated to line managers are attendance checking, staff OT calculation, uniform distribution control, the conducting of the new staff orientation program, grievance handling and staff counseling.
- g) Encourage line managers to analyze the people side of productivity rather than depend solely on technical solutions to problem. This will require that line managers be trained in certain HR skills. It also requires encouraging line managers to value human resources as a key element in organizational effectiveness and performance.

### Implications for HR Professionals

HR professionals need to be proactive and flexible in their mind set. They should not think that they play only a supportive role but also that their contribution can give impact to an organization performance. This research further suggests that the following action be taken by all HR professionals :

- a) Volunteer to participate in operations meetings. HR professionals need to be proactive with respect to their involvement in operations matters. This will enable them to understand more fully the operational issues and assist line managers by executing those relevant HR strategies that will improve the efficiency of the operation.
- b) Continue to acquire knowledge of the firm’s business, such as the key business disciplines, an understanding of the internal and external customers, a knowledge of the competitors, the products, the technology and sources of competitive advantage.
- c) Come to understand the importance of HR technology and conduct comprehensive research into the possible investment in HR software that will best suit the organization’s needs. All HR professional must not only be competent in using HR systems but must also be capable of measuring the effectiveness of HR systems and practices.
- d) And finally, HR professionals should fully understand the key process skills required for product service realization and delivery. These skills can be acquired from the relevant line managers. Therefore, HR professional must start learning to work effectively with other department managers in order to achieve the organization’s common financial goals.

### CONCLUSION

The findings of this research show that HR professionals in the manufacturing companies of the southern region of Malaysia are lacking in their capacity to play an important role as a strategic partner and agent for change. One of the main barriers hindering HR professionals from being a strategic partner is that they do not have enough time to address both administrative and strategic issues. Furthermore, their lack of certain competencies also serves as a barrier to their becoming a well-integrated strategic partner. As this study has shown, these roles are vital and relate to a firm’s effective performance.

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