



Intangible Capital

ISSN: 2014-3214

ic.editor@intangiblecapital.org

Universitat Politècnica de Catalunya
Espanya

Sang Long, Choi; Wan Ismail, Wan Khairuzzaman
Readiness of Malaysian human resource professionals to be a strategic partner
Intangible Capital, vol. 6, núm. 1, 2010, pp. 26-50
Universitat Politècnica de Catalunya
Barcelona, Espanya

Available in: <http://www.redalyc.org/articulo.oa?id=54912883002>

- How to cite
- Complete issue
- More information about this article
- Journal's homepage in redalyc.org

redalyc.org

Scientific Information System

Network of Scientific Journals from Latin America, the Caribbean, Spain and Portugal

Non-profit academic project, developed under the open access initiative

Readiness of Malaysian human resource professionals to be a strategic partner

Choi Sang Long

Universiti Teknologi Malaysia
(Malaysia)
cslong_1@yahoo.com

Wan Khairuzzaman Wan Ismail

Universiti Teknologi Malaysia
(Malaysia)
mwkhair@hotmail.com

Received August, 2009

Accepted February, 2010

Abstract:

The Ulrich's HRM Four-Role Model is used in this study. The various roles that are examined are 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 organisation. 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 89 respondents. 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. Furthermore, it is found that role of strategic partner and change agent contributes most to firm performance. This study also found that the main barrier that hinders HR professional to play strategic roles in an organisation is they have no time to address both administrative and strategic issues.

Keywords: human resource professionals, strategic partner, administrative expert, employee champion, change agent.

JEL Codes: L20

1. Introduction

Human Resource (HR) 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).

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. Pinola (2002) offers us a valuable list of 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.

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 organisation 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 organisation'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 organisational 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 organisation (Brockbank *et al.*, 2002).

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) .

2. Review of the literature

Strategic human resource (HR) roles

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 & Ulrich, 2001), with the basic premise that improvements in individual employee performance will automatically enhance organisational 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 organisational 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 organisation.

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

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 organisational 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 organisation through their competence and commitment. Finally, HR professionals should continually contribute to the process of change and help improve the organisation's capacity to do so (Ulrich, 1997). The four roles that emerge from this model are further discussed as below:

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 organisational capability to HR practice (Ulrich & Eichinger, 1998; Ulrich, 1997).

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 organisation (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).

The role of employee champion

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).

The role of change agent

The change agent role refers to helping the organisation 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 organisation, 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 organisation. 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 organisation grows, its needs change and that by understanding how an organisation changes, senior management and HR professionals can understand how HRM must change. Further, Baird and Meshoulam (1988) assert that human resource management effectiveness depends on its fit with the organisation's stage of development and that, as the organisation grows, HRM practices and procedures must evolve to meet those needs.

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 organisation. 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 organisation (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 organisational performance are significantly related. On the other hand, Som (2002) reports in his study of fifty-four organisations in India that the role of the HR department is positively correlated with organisational performance, and the HR department plays a significant role in the adoption of the 'best practices' within an organisation.

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 & Reeves, 1995; Truss & 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 organisational 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 organisational 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) noted that an organisational culture that is marked by flexibility, adaptability and external focus is positively related to sales growth and organisational performance. The same study shows that control and external focus is positively related to profitability, sales growth and organisational performance.

Therefore, this study highlights the importance of the HR role as a change agent that constantly helps to adapt to the external business environment and so improve a firm's performance.

Panayotopoulou and 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). The results of this study show that the orientation of external focus and control combination has a strong positive relation with growth/innovation and organisational 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 organisational performance. Based on the CVF, internal focus and flexibility orientation is linked to HR roles such as employee champion, change agent and administrative specialist.

In a recent study from Choi and Wan Khairuzzaman (2008) on 32 HR professionals in Malaysia found that the role of strategic partner, employee champion and change agent are significantly related to firms' performance. This result indicates that HR professionals must also find ways to manage the employees' welfare and their morale effectively and at the same time contribute strategically to the organisation. From the above literature review, the below hypotheses are formulated:

H1: Strategic partner role is significantly related to firm performance.

H2: Administrative expert role is significantly related to firm performance.

H3: Employee Champion role is significantly related to firm performance.

H4: Change agent role is significantly related to firm performance.

3. The 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 needed to endure and overcome many barriers to reach the ultimate goal of becoming a strategic partner in his or her organisation. 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.

4. Research Method

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. The list of firms in the manufacturing sector was drawn from the "FMM directory of Malaysian Manufacturers 2007." Out of the entire list in the directory, the research focused on a sample population in the Southern region of Malaysia (State of Johor). A total of about 307 firms were included in the list for this area.

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 organisations 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 and sent to the person in-charge after consensus was given by the person in-charge of the organisation by telephone. The researcher meet with the respondent if it was so requested, so that the contents of the survey form could be explained. The completed survey forms were returned to the researcher through e-mail or to be collected personally from the respondents. Out of 307 firms invited to participate in this survey, 103 firms responded. However, 14 of the received survey forms are incomplete and need to

be discarded. That left with only 89 forms to be analysed. The demographic information of the samples is shown in Table 1.

Gender	Frequency	Percent
Male	37	42
Female	52	58
Total	89	100
Job Position	Frequency	Percent
Officer/Executive	23	26
Manager	44	49
Senior Manager and above	22	24
Total	89	100
Years of Experience	Frequency	Percent
1 year to 3 years	12	13
4 years to 7 years	39	44
more than 7 years	38	43
Total	89	100
Education Level	Frequency	Percent
Certificate & Below	4	4
Diploma/Adv Diploma	37	42
Bachelor Degree holder	32	36
Post Graduate Degree (Master/PhD)	16	18
Total	89	100
Size of organisation	Frequency	Percent
less than 150 staff	27	30
151-500 staff	30	34
more than 500	32	36
Total	89	100
Salary	Frequency	Percent
Below RM3500/mth	17	19
RM3501 - RM5000/mth	42	47
more than RM5000/mth	30	34
Total	89	100

Table 1. "Samples' Demographic Information". Source: author

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 organisation. 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. 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.

5. Data analysis

Table 2 shows that the highest mean score (4.12) of HR roles is that of the administrative expert. HR role of employee champion rank second with mean score of 4.07. Strategic partner role is ranked third with mean score of 3.57. Change agent role is ranked last with only obtaining mean score of 3.38.

	Mean	Std. Deviation	Firm Performance	Sig.
Strategic Partner	3.57	0.54	0.536**	0.000
Administrative Expert	4.12	0.48	0.216*	0.042
Employee Champion	4.07	0.65	0.219*	0.039
Change Agent	3.38	0.64	0.558**	0.000

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

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

Table 2. "Mean scores and correlation analysis for each domain of HR roles with firm performance". Source: authors

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 2 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 4.12. HR role of employee champion rank second with mean score of 4.07. 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 findings also similar to the study from Choi and Wan Khairuzzaman (2008) showing that the role of administrative expert has the highest mean score.

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.

Also shown in Table 2, all HR roles (Strategic partner, administrative expert, employee champion and change agent,) 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 0.536 ($p < 0.01$), 0.216 ($p < 0.05$), 0.219 ($p < 0.05$) and 0.558 ($p < 0.01$). Base on the above result, hypotheses 1, 2, 3 and 4 are supported.

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

Study from Denison and Misha (1995) stress that HR professionals need to focus in shaping organisational culture. An organisational culture that is marked by flexibility, adaptability and external focus is positively related to sales growth and organisational performance. The same study shows control and external focus being positively related to profitability, sales growth and organisational 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. However, these results slightly differ to the earlier study by Choi and Wan Khairuzzaman (2008) that HR role of administrative expert is not significantly related to firms' performance. This may due to smaller samples used in this earlier study.

Ulrich and Brockbank (2005) emphasize that for the HR function in such a way as to create competitive advantage, all four roles should be taken on by HR professional. According to Ulrich and Brockbank (2005), the role of administrative expert is constructed around the task of ensuring that traditional HR processes such as staffing and training are carried out efficiently and effectively. The underlying notion here is that in considering employees as cost, a competitive advantage can be attained by reducing these costs and hence increasing efficiency.

Variables	Beta value	Sig.	R	adj R sq	Collinearity	Statistics
			0.634	0.374	Tolerance	VIF
Strategic partner	0.368	0.05			0.201	4.965
Administrative expert	-0.206	0.15			0.346	2.889
Employee Champion	0.283	0.03			0.427	2.339
Change agent	0.297	0.09			0.234	4.277

ANOVA(b)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	20.802	4	5.201	14.126	0.000(a)
Residual	30.925	84	0.368		
Total	51.728	88			

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

b. Dependent Variable: Firm performance

Table 3. "Multiple regression analysis of HR roles on firms' performance". Source: Authors

Variables	Beta value	Sig.	R	adj R sq
			0.592	0.343
Strategic partner	0.592	0.00		

ANOVA(b)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	18.112	1	18.112	46.876	0.000(a)
Residual	33.615	87	0.386		
Total	51.728	88			

a. Predictors: (Constant), Strategic partner

b. Dependent Variable: Firm performance

Table 4. "Stepwise regression analysis of HR roles on firms' performance". Source: authors

Further analysis shown in Table 3 indicates that the F value is 14.126 ($p < 0.01$), explains the combination of these independent variables (HR roles) significantly

($p < 0.05$) predicts the dependent variable (firm performance). Table 3 also shows that this analysis obtained R value of 0.634. This indicates that there is a moderate linear correlation among independent variables. The adjusted R square of 0.374 indicates that 37% 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 strategic partner. Base on the tolerance and VIF value shown in Table 3, the issue of multicollinearity was resolved. In practice, $VIF > 10$ (equivalently $Tolerance < 0.1$) would indicate a multicollinearity problem (Hair et. al, 1998).

The stepwise regression analysis shown in Table 4, clearly indicate that only the role of strategic partner entered into the regression equation and this variable explain 34% of the variability in firms' performance. The other independent variables (administrative expert, employee champion and change agent) fail to meet the selection criteria.

Ulrich (1997) recognizes the role of strategic partner inherently implies that the HR professional's work is on a par with an organisation'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 dual roles.

	Rank	Sum	Mean	Std. Deviation
Lack of support from line manager	5	216	2.43	.95
Inability to measure impact on bottom line	4	221	2.48	1.08
Lack of knowledge and competencies	2	297	3.34	1.27
No time to address both administrative and strategic issues	1	319	3.58	1.24
Lack of involvement in setting corporate goal	3	247	2.78	1.16

Table 5. "Barriers of HR professionals being a strategic partner". Source: authors

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 3.58) and "lack of knowledge and competencies" (mean score 3.34).as shown in Table 5. 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.

Years of experience	N	Mean Rank		Strategic Partner
1 year to 3 years	12	28.42	Chi-Square	9.067
4 years to 7 years	39	42.29	df	2
more than 7 years	38	53.01	Asymp. Sig.	.011

Education level	N	Mean Rank		Strategic Partner
Certificate and below	4	35.13	Chi-Square	8.323
Adv / Diploma holder	37	36.88	df	3
Bachelor Degree holder	32	53.83	Asymp. Sig.	.040
Master / PhD & above	16	48.59		

Salary range	N	Mean Rank		Strategic Partner
Below RM3500/mth	17	30.68	Chi-Square	15.910
RM3501 - RM5000/mth	42	40.50	df	2
more than RM5000/mth	30	59.42	Asymp. Sig.	.000

Table 6. Kruskal-Wallis Test: Respondents' demographic factor (years of experience, education level & salary) on the role of strategic partner for HR professionals. Source: authors.

Three demographic factors (years of experience, education level of respondents and salary range) are tested for possible differences between groups for these factors. As shown in Table 6, Kruskal-Wallis test is used in this study. The chi-square value (years of experience = 9.067, education level = 8.323 and Salary range = 15.910) indicates that role of strategic partner do significantly differ across all three demographic factors ($p > .05$). This finding may indicate that HR professionals need to attain many years of working experience before actually consider or qualify him/herself as strategic partner in an organisation. This is important because knowing and understanding the business process of the whole

organisation is not an easy task and cannot be done in a short period of time. Education level seems to also play a role in nurturing one person into be a truly HR professionals that able to contribute strategically to the organisation. It is also shown that if HR professionals are able to execute strategic role in an organisation, they can expect good reward in terms of their compensation especially having higher salary scale.

6. 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 organisation and those for HR Professionals.

Implications for the CEOs of organisations

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 organisation.

To overcome the above problems, several actions should be taken by company's CEOs. They must get HR personnel involved in the operations meetings to enable them to understand fully the operational needs of the company. Funds should be allocated to upgrade HR personnel competencies, especially in the area of business related knowledge such as marketing skills, financial accounting skills and operations management knowledge is also needed. HR personnel should be also given opportunities to involve in the process of setting corporate goals and policy planning. CEOs need to 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.

CEOs need to encourage line managers to analyze the people side of productivity rather than solely depending on technical solutions to problems. This requires line managers to be trained in certain HR skills. It also requires encouraging line managers to value human resources as a key element in organisational 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 supportive role but also that their contribution can give impact to an organisation performance. HR professionals need to 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.

HR professionals must continue to acquire knowledge of the firm's business, such as the key business disciplines, an understanding of the internal and external customers, the competitors, the products, the technology and sources of competitive advantage. 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 organisation's common financial goals.

7. Limitation and suggestion for further research

This study on its face appears to be limited as it is carried out only on manufacturing companies in Johor, the southernmost state of Malaysia. Thus, its findings cannot be generalized. Similar studies could be carried out, especially on manufacturing companies in central and northern Malaysia. A comparative study could be done base on the companies in the several regions. Other comparative studies might be conducted across various industries and countries. Comparisons

among different industries or countries can help us to understand better the HR roles among different work environments.

Further research in this area might also include non-HR managers. Information from CEOs of a company for example could be obtained based upon their perceptions of the specific HR roles of their HR manager. This information would be vital, especially when taking into account the gap in the perceptions of both HR managers and their CEOs. This type of research would help HR professionals to look more perceptively into the possible expectations from their CEOs concerning their role as HR practitioners. This kind of gap analysis would be similar to the study done by Simpkins (2006).

8. 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 performance.

References

- AITCHISON, D. (2007), HR Transformation : Myth or Reality. *HROA Europe and Sharedpertise Forums in Association with TPI*. Survey report January 2007.
- ALLAN, H. (2002). A 360-degree view of HR, *Workforce*, 81:28-34.
- ARTHUR, J .S. (2001). Seeking Equilibrium. *Human Resource Executive*, 15(7):34-38.
- BECKER, B. E.; HUSELID, M. A.; ULRICH, D. (2001). *The HR scorecard: Linking people, strategy, and performance*. Cambridge, MA: Harvard Business School Press.

- BECKER, B. E.; GERHART, B. (1996). The impact of human resource management on organisational performance: Progress and prospects. *Academy of Management Journal* 39: 779-801.
- BECKER, B.E; HUSELID, M.A; PICKUS, P.S.; SPRATT, M.F. (1997). HR as a Source of Shareholder Value: Research and Recommendations. *Human Resources Management Journal*. 31(1), Spring 1997.
- BEATTY, R.W.; SCHREIER, C.E. (1997). New HR Roles to Impact Organisational Performance: From “Partners” to “Players”. *Human Resource Management*, 36(1):29-37.
- BAIRD, L.; MESHOULAM, I. (1998). Managing Two Fits of Strategic Human. *The Academy of Management Review*, 13(1):116-129.
- BOSELIE, P.; PAAUWE, J. (2004). Human resource function competencies in European Companies. *Personnel Review*, 34(5):550-566.
- BROCKBANK, W.; SIOLI, A.; ULRICH, D. (2002). So we are at the table! Now what?. Working paper, University of Michigan Business School, Ann Arbor, MI, Retrieved Oct 5, 2007 from World Wide Web: http://webuser.bus.umich.edu/Programs/hracs/res_NowWhat.htm
- BROCKBANK, W.; ULRICH, D.; BEATTY, R. (1999). The Professional Development: Creating the Future Creators at the University of Michigan Business School, *Human Resource Management*, 38(2):111-118.
- BROCKBANK, W. (1999). If HR Were Really Strategically Proactive: Present and Future Directions in HR's Contribution to Competitive Advantage. *Human Resource Management*, 38(4):337-352.
- BHATNAGAR, J.; SHARMA, A. (2005). The Indian perspective of strategic HR roles and organisational learning capability. *International Journal of Human Resource Management*, 16:1711–1739.
- CHEN, L.H.; LIAW, S.Y.; LEE, T.Z. (2003). Usingan HRM pattern approach to examine the productivity of manufacturing firms: An empirical study. *International Journal of Manpower*, 24,(3):299.

- CSOKA, L.S. (1995) *Rethinking Human Resources: A Research Report*. New York. The Conference Board.
- CONNER, J.; ULRICH, D. (1996). Human resource roles: Creating value, not rhetoric. *Human Resource Planning*, 19(3):38.
- CHOI, S.L; WAN KHAIRUZZAMAN , W.I. (2008). Malaysian Perspective of Strategic HR Roles in the Manufacturing Sector. *Journal of International Business and Entrepreneurship (JIBE)*, 13(2):1-18
- GIANNANTONIO, C.M; HURLEY, A.E. (2002) Executive insights into HR practices and education. *Human Resource Management Review*,12:491–511.
- DYER, L.; REEVES, T. (1995). HR strategies and firm performance: What do we know and where do we need to go?, *International Journal of Human Resource Management*, 6(3): 656–70.
- Denison, D.; Mishra, A. (1995). Towards a theory of organisational cultura and effectiveness, *Organisation Science*, 6(2):204-23.
- EICHINGER, R. W.; ULRICH, D. (1995). Are you future agile?. *Human Resource Planning*, 18(4):30-41.
- EHRLICH, C. J. (1997). Human resource management: a changing script for a changing world. *Human Resource Management*, 36(1):85-90.
- FEY, C.F.; BJORKMAN, I.; PAVLOVSKAYA, A. (2000). The effect of human resource management practices on firm performance in Russia. *International Journal of Human Resource Management*, 11(1):1-18.
- FITZ-EM, J. (2000). *The ROI of Human Capital. Measuring the Economic Value of Employee Performance*. New York. AMACOM.
- FREY, L.R.; BOTAN, B.H.; KREPS, G.L. (2000). *Investigating communication: An introduction to research methods*. Allyn & Bacon, Boston.
- GOMEZ-MEJIA, L.; BALKING, D.B.; CARDY, R.L. (2001). *Managing Human Resources*. International Edition, 3rd Edition, Prentice Hall.

- GREENE, R.J. (2001). *Effectively Managing Intellectual Capital: Critical Challenge for Human Resources*. SHRM White-Papers. Retrieved July 31, 2007 from World Wide Web: <http://my.shrm.org/whitepapers/documents/default.asp?page=61151.asp>
- HUANG, T.C. (2000). Are the human resource practices of effective firms distinctly different from those of poorly performing ones?: Evidence from Taiwanese enterprises. *The International Journal of Human Resource Management*, 11(2):436–51.
- HUSELID, M.A.; JACKSON, S.E.; SCHULER, R.S. (1997). Technical and strategic human resource management effectiveness as determinants of firm performance. *Academy of Management Journal*, 40 (1):171-88.
- HUSELID, M.A. (1995). The impact of human resource management practices on turnover, productivity and corporate financial performance. *Academy of Management Journal*, 38:635–70.
- HILTROP, J., DESPRES, C.; SPARROW, P. (1995). The changing role of HR managers in Europe. *European Management Journal*, 13(1):1-98.
- HAIR, J.F.; ANDERSON, R.E.; TATHAM, R.L.; BLACK W.C. (1998). *Multivariate Data Analysis*. 5th Edition. Prentice Hall International.
- JACKSON, S.E.; SCHULER, R.S. (1996). *Human Resource Management: Positioning for the 21st Century*. 6th Edition. January 1996. West Group.
- KHATRI, N.; WELLS, J.; MCKUNE, J.; BREWER, M. (2006). Strategic human resource management issues in hospitals: a study of a university and a community hospital. *Hospital Topics* 84:9-12.
- KHATRI, N. (1999). Emerging issues in strategic HRM Singapore. *International Journal of Manpower*, 20(8):516-529.
- KESLER, G. (2000). Four steps to building an HR agenda for growth: HR strategy revisited. *Human Resource Planning*, 23(3), 24-37.
- KESLER, G.; LAW, J. (1997). Implementing major change in the HR organisation: The lessons of five companies. *Human Resource Planning*, 20(4):26-38.

- KERLINGER, F.N. (1973). *Foundation of Behaviour Research*. New York: Holt, Rinehart & Wiston, Inc.
- LAWLER, E.E.; MOHRMAN, A.M. (1993). *Human Resource Management: Building a Strategic partnership*. San Francisco: Jossey-Bass.
- LAWLER, E. E.; MOHRMAN, A.M. (2003). *Creating a strategic human resource organisation: An assessment of trends and new directions*. Stanford, CA: Stanford University Press.
- LIPIEC, J. (2001). Human Resources Management perspective at the turn of the century. *Public Personnel Management*, 30(2):137-146.
- LAHTENMAKI, S. (1998), HRM and company performance: The use of measurement and the influence of economic cycles. *Human Resource Management Journal*, 8(2):51.
- MILLER, P. (1987). Strategic industrial relations and human resource management distinction, definition and recognition. *Journal of Management*, 24(4):347-361.
- MONDY, R.W.; NOE, R.M. (2005). *Human Resource Management*. International Edition, 9th Edition, Prentice Hall.
- MOHRMAN, A.M.; LAWLER, E.E. (1993). Human Resource Management: Building a strategic partnership." In J.R. Galbraith and E.E. Lawler (eds.), *Organizing for the Future: The new logic of managing complex organisations* (San Francisco: Jossey-Bass).
- MENEFEE, M.; PARNELL, J.; POWER, E.; ZIEMNOWICZ, C. (2006). The role of human resources in the success of new businesses. *Southern Business Review*, 32(1):23.
- NADLER, L. (1970). *Developing Human Resources*. Reading, MA: Addison-Wesley.
- OTHMAN, R.; ABDUL-GHANI, R.; ARSHAD, R. (2001). CEOs' perception of the performance gap of the HRM function in the Malaysian manufacturing sector. *Personnel Review*, 30(1):61-80.

- PANAYOTOPOULOU, L.; PAPALEXANDRIS, N. (2004). Examining the link between human resource management orientation and firm performance. *Personnel Review*, 33(5/6):499.
- PINOLA, R. (2002). *What CEOs want from HR*. SHRM's Annual Conference, Philadelphia, USA.
- RAUB, S.; ALVAREZ, L.; KHANNA R. (2006). International the different roles of corporate and unit level human resources managers in the hospitality industry. *Journal of Contemporary Hospitality Management*, 18(2):135-144.
- SIMPKINS, A. P. (2006). *Human Resource Managment Roles in the public versus private sectors*. Unpublished Dissertation, Dissertation Abstracts International.
- SIMS, R. (2002). *Organisational success through effective human resource management*. Westport, CT: Quorum Books.
- SELMER. J.; CHIU. R. (2004). Required human resources competencies in the future : A Framework for developing HR Executives in Hong Kong. *Journal of World Business*, 39:324-336.
- SOM, A. (2002). *Role of Human Resource Management in Organisational Design*. Unpublished doctoral dissertation. Ahmedabad: Indian Institute of Management.
- TRUSS, C.; GRATTON, L. (1994). Strategic human resource management: A conceptual approach. *Journal of Human Resource Management*, 5(3):663–86.
- TEO, S.T.T. (2002). Effectiveness of a corporate HR department in an Australian public sector entity during commercialization and corporatization. *The International Journal of Human Resource Management*, 13(1):89-105.
- ULRICH, D. (1997). *Human Resource Champions: The Next Agenda for Adding Value and Delivery Results*. Harvard Business School Press . Retrieved July 23, 2007. from World Wide Web: www.gowerpub.com/pdf/HR_Business_Partners_Ch1.pdf
- ULRICH, D. (1998). A new mandate for human resources. *Harvard Business Review*, 76(1):124-134.

ULRICH, D. (1999). *Delivering results: A new mandate for human resource professionals*. Boston, Mass: Harvard Business School Press.

ULRICH, D.; BROCKBANK, W.; YEUNG, A.; LAKE, D. (1995). Human resource competencies and empirical assessment. *Human Resources Management*, 34(4):473–496.

ULRICH, D.; EICHINGER, R. (1998). *Delivering HR with an attitude*. HR Magazine.

ULRICH, D.; BROCKBANK, W. (2005). The HR value proposition. Harvard Business School Press, Boston, MA.

WRIGHT, P.M.; MCMAHAN, G.; GERHART, B.; SNELL, S.A. (1997). *Strategic human resource management: Building human capital and organisational capability*. Technical report, Cornell University.

WRIGHT, P.M., DUNFORD, B.; SNELL, S. (2001). Human resources and the resource based view of the firm. *Journal of Management*, 27:701-721.

