RELATIONSHIP BETWEEN HUMAN RESOURCE PROFESSIONALS’ COMPETENCIES, HUMAN RESOURCE PROFESSIONALS’ ROLES AND ORGANIZATIONAL PERFORMANCE

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ABSTRACT

This research examines the roles and competencies of human resource professionals in the manufacturing sector of Malaysia. The sample selected for this research consists of human resource professionals from Malaysian manufacturing companies in the southernmost state of Malaysia, Johor. The total number of firms involved comprises of 89 respondents. The research model used in this research is based on the ‘Ulrich’s Four-Role Model’. The various roles examined are strategic partner, change agent, administrative expert and employee champion. The findings show that the role of an administrative expert and employee champion obtained the highest scores. Furthermore, it is found that role of change agent and strategic partner contribute most to the organizational performance. This research also examines the human resource competencies such as business knowledge, strategic contribution, human resource delivery, personal credibility, human resource technology and internal consultation. The analysis reveals that the top nine ranking human resource competency factors are from the domain of personal credibility and human resource delivery. Furthermore, it is observed that all competencies measured are significantly related to certain roles of human resource professionals in Malaysia. Competencies such as strategic contribution, business knowledge, human resource technology and internal consultation have significant correlation with the organizational performance. In addition, it is found that out of all human resource competencies, the highest contributions to organizational performance are strategic contribution and internal consultation. Through Spearman’s correlation analysis, this study also finds that all demographic factors are significantly related to at least one of the human resource competencies of this study. This study also finds that human resource roles such as strategic partner and change agent mediate the relationship between certain human resource competencies and organizational performance.
ABSTRAK

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<td>RQ</td>
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<td>SPSS</td>
<td>Statistical Package for Social Sciences</td>
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<td>rho</td>
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1.1 Introduction

Researchers in the field of strategic Human Resource Management have highlighted the fact that human resource (HR) practices may improve organizational performance and thereby becoming a source of sustained competitive advantage (Wright, Dunford, & Snell, 2001). As a result, there is now an increasingly widespread acceptance of the fact that HR professionals play a key role in making a business successful (Ulrich, 1998).

Competing in today’s global economy provides additional challenges for the HR function in that it creates unexpected circumstances in which to create and sustain competitive advantages. To function well and play a more critical role effectively, HR professionals must master these new and necessary competencies, and that mastery of HR knowledge comes from knowing the concepts, language, logic, resources, and practices of HR (Brockbank, Ulrich, & Beatty, 1999). Furthermore, mastery of these competencies comes from being able to apply the acquired knowledge to specific business settings.
In this chapter, the researcher will present the background of the study for this research project by providing an overview of the HR roles and competencies that are related to organizational performance. The chapter will also introduce the following aspects: a statement of the problem, the objectives, purpose, significance, scope and limitation of research, as well as the definitions of terminology used.

1.2 Background of the Study

Human Resource (HR) has emerged as the key concept in assessing the competitive assets of organizations. 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 HR will therefore create opportunities for its function to develop an even more strategic role in a firm’s operation (Lawler & Mohrman, 2003).

There has been much discussion in recent years concerning the need for HR professionals to assume a strategic role in the area of Human Resource Management (Allan, 2002). Pinola (2002) offers us a valuable list of the tasks that current CEOs should expect from the HR department. One of the important tasks that have been stressed is that the HR professional’s role in this period of rapid change should incorporate initiatives such as strategic planning, reorganizing and system implementation.

Researchers contend that the concept of strategic Human Resource Management (HRM) 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 should be seen as a more holistic management
approach that can 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, and therefore is kept out of key business decisions and expected to respond merely to day-to-day crises. Viewing HR as a barrier, some companies have eliminated the function altogether, transferring all “people” tasks to managers. During recent years, some say that HR has come to play a seemingly invisible role and that attention to corporate governance and executive compensation is sadly neglected. Perhaps the HR executives are themselves too weak politically to be champions of the organization’s transformation. Therefore, there are many barriers that HR professionals need to surmount to become a truly 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 the organization’s strategic business objectives. This vital role requires competences on the part of HR leaders that will create and sustain a flexible and adaptive workforce (Gomez-Mejia, 2001).

As a consequence of the increased interest in the relationship between HRM and organizational performance, many researchers have a heightened interest in the kinds of roles and competencies the HR professionals should play in order to add value to their organizational 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, have come to challenge the HR function and its role as the creator of added value for the organization (Brockbank, et al., 2002).
Ulrich (1997) emphasizes the importance of the further development of the roles played by HR professionals, in particular in their role as leaders in an organization. In the 1990s, a human resource competence study (HRCS) focused on organizations in the USA. These data provide a rich vein of information on key competencies for the HR function. The survey has been carried out periodically and every time the research team has intensified the co-operation with partners around the globe. The 2002 HRCS, for example, included the European context for the first time. The competency domain which was measured includes strategic contribution, personal credibility, HR delivery, business knowledge and HR technology. Many high performing companies have HR professionals involved at a strategic level. There are four major factors of competencies related to how well a HR professional contributes in a strategic way to an organization in areas such as strategic decision making, culture management, fast change and market driven connectivity (Brockbank & Ulrich, 2003).

Although many researchers have highlighted the importance of the HR roles (Bhatnagar & Sharma, 2005; Aitchison, 2007; Fegley, 2002) and HR competencies (Selmer & Chiu, 2004; Khatri, 1999; Khatri & Budhwar, 2001; Ramlall, 2006), most researches have yet to prove any relationship between the two variables. Only a study by Pietersen & Engelbrecht (2005), which has been done in South Africa, has shown that there is a positive relationship between the business related competencies and the strategic partner role of the HR professionals. The two variables seem to be clearly inter-related, as both are very important factors that enable HR professionals to contribute to an organization’s success.

While many studies have been conducted on the HR roles and competencies in the West since the mid 1990s, there remains an ever-growing need to determine the readiness of the HR professional to play a more strategic role especially in 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-mentioned HRM issues. One significant study attempted to look into a Malaysian firm (Rozhan & Zakaria, 1996) a decade ago, but it failed to give much
support to the contention that the HRM practices of an organization are distinctly related to the success of the business. The results of that study show that HRM practices tend to centre on the form of the job descriptions and employee selection methods used by firms. This indicates that HR professionals are merely playing the role of an administrative expert and not as a strategic partner. Rozhan and Zakaria do contend that the findings of their study suggest that the HRM competencies may be important in shaping HRM practice. Hiltrop, et al. (1995 cited in Rozhan & Zakaria, 1996) observe that HR professionals in the Netherlands and Italy tend to focus on cost control. They attribute this to the predominantly fiscal orientation of HR professionals in those countries. On the other hand, many HR professionals and managers in Germany are from a legal background and thus more concerned about interpreting rules and regulations. All of which strongly suggests that the characteristics of an organization’s HRM practice are to an extent shaped by the competence of the HR professionals.

Hazman (1998) also finds in his study that HR managers tend to have little influence in strategic decision making. However, Othman, et. al (2001) in their study on the CEOs of Malaysian manufacturing firms find that the gap in terms of HRM practice developed by their HRM department are not too different from the CEOs expectation. Othman, et al. (2001) agree that HR managers need to be competent in the main elements of HRM activities as well as in the rapidly developing innovative work management techniques. The use of innovative techniques such as developing employee participation, teamwork and productivity improvement are among the HR capabilities considered to be important by management, and these are also among the capabilities where the performance weaknesses of the HRM department are often the largest. An important implication of this finding is the need to equip HR professionals with the skills and knowledge needed for developing these capabilities. In any event, because no performance-related data has been collected, this study fails to show any relationship between HRM practices and performance in the Malaysian manufacturing sector. A study by Normala (2006) shows that several HR practices, such as human resource planning and performance-based pay, have a relationship to the profitability and growth
of manufacturing firms in Malaysia. However, this study does not mention the kinds of competencies possessed by the HR professionals.

From the background research outlined above, it is necessary to concretize a conceptual framework by designing and developing suitable HR models for the roles and relevant competencies that ultimately lead to the performance improvement of a firm. There is also a need to address possible mediation effect of HR roles on the relationship between HR competencies and organizational performance.

1.3 Statement of the problem

As stated in Malaysia's Second Industrial Master Plan 1996-2005, Malaysia is firmly set in her drive to enjoy sustainable growth in order to raise its living standards. In fact, the manufacturing sector, which increased its contribution to the Gross Domestic Product (GDP) from 19.3 per cent in 1979 to 34.2 per cent in 1996, has been identified as a key growth engine in this transformation process (Asean Economic Bulletin, 2002).

In the context of this competitive global environment, focus will continue to be given to the strengthening of the manufacturing sector and the acceleration of the shift to high technology and knowledge-based industries. During the review period from 2001-2003, the sector grew at 1.5% per annum, much slower than the 8th Plan target of 8.9%. This was largely due to the global economic slowdown. However, it recovered to achieve a growth of 6.5% in 2003, contributing 30.6% to GDP and 83% to total exports (MIDA Report, 2003). From January 2008 to July 2008, the sales value of the manufacturing sector posted a double-digit growth of 15.8% or RM46.4 billion to register RM340.2 billion.
However, as many economists predicted, there was a world recession between year 2008 to 2010 resulting in a decline in revenues, increasing costs, shrinking market shares and depleted share values (Block, 2008). The European Union announced that the fifteen nations in the euro-zone were gripped by recession (two quarters of the economic contraction). Even Hong Kong fell into recession and European automakers announced a 14.5 percent sales slump for October 2008, and the extent of the crisis facing world leaders grew by the day. It was just matter of time for this turmoil to affect companies especially in the manufacturing sectors in South East Asia (Google News, 2008). What do HR professionals do in such situations? How will HR professionals play their role to truly bring sustainable value to their company? Generally, the HR function has always been managed as a fixed cost entity with little or no perceived value-added contribution to share values. This is often a company’s biggest “threat” with respect to the high costs of transaction processing activities and administrative work, as well as ongoing struggles with employee and industrial relation issues. Little do companies realize that this internal “threat” holds their biggest opportunity for value creation (Loy, 2003).

The field of human resources has changed dramatically. Formerly focused on process and administration, HR is now focused on behavioral science and the ways to get organizations and individuals to behave in different and more effective ways. American and European companies are coming to grips with the new role of HR, but Asian companies are lagging far behind in appreciating how HR has changed and how critically strategic it has become (Khatri, 1999; Butler & Lee, 2003). In a sense, the HR task has come to be divided into two aspects. One segment is the administrative, transactional work that is becoming more and more automated: payroll, compensation and benefits, training and development, and similar activities are moving to shared service centers or specialized internal resources. The other segment is the strategic, organizational development function that holds the key to helping a company determine how to get from A to B with respect to talent. HR is rapidly becoming metrics-driven, with business schools and other training establishments trying to equip HR professionals to measure their contributions against corporate needs (Khatri & Budhwar, 2002).
It is unfortunate that in Asia, there is an alarming shortage of truly able HR professionals to fill these strategic roles. Most of Asia’s HR people are mired in the old way of thinking about their role. They have not been prepared to work with and to influence top-tier management. Likewise, management does not see HR as a business partner. This has a lot to do with the traditional hands-on approach in regard to people issues that has characterized Asian management teams in contrast to their counterparts in the United States or Europe (Selmer & Chiu, 2004). A proactive HR person focuses on bringing in the right people and increasing communication between departments in an effective way. Not through mere training and development programs, but through focusing on the company’s objectives, and realising when people are working out and when they are not, is this accomplished. If a company gets its HR right, it gets the right people in the right jobs, and then the positive effectiveness of HR can be measured. In Asia, there is a tendency to shy away from the more aggressive, proactive HR people. There is a tendency to turn thumbs down on the HR position and select people who are nice rather than effective. Some of the most effective people in HR have a tendency to be pushy and ask questions. Another shortcoming is not giving HR people a comfortable seat at the head of the table (Moore, 2005).

Many senior HR managers believe that they are indeed strategic partners in their organizations, but a review of literature shows that this is not always the case (Huselid, 1997). Researchers further raise important questions as to whether HR professionals are equipped to meet the challenges posed by the continuing evolution of the HR management role (Cleland, et al., 2000). According to Zwell (2000), many HR professionals do not yet function as agents for change and are not perceived by executive management to be strategic partners. One of the reasons for this is that HR managers often do not have strong enough critical competencies to play a strategic role effectively and thereby have an impact on the organization (Zwell, 2000).

Although implementation of strategic HR is vital factor in business management, there are many barriers that HR managers need to overcome to enable them to evolve as real strategic partners. In the study conducted by TwentyTen Research (USA), the top
barriers to strategic HR contributions for all HR professionals surveyed were identified as not having the time to address both administrative tasks and strategic issues, lack of involvement with the setting of corporate goals and insufficient budget to address strategic issues (Martin, 2005). A survey conducted recently by Aitchison (2007) found that one of the major barriers preventing HR operations from focusing on strategic issues was the insufficient competencies and skills of HR business partners. Furthermore, many CEOs saw the human resources function as primarily administrative while HR managers focused on administering benefits and other payroll and operational functions and did not consider themselves as playing a part in the firm's overall strategy.

As the leader of HR department and its strategic representative, the HR manager should be responsible facilitating the fit between the HR strategies and the overall business strategies and thus should have relevant competencies to accomplish this strategic fit (Khatri, 1999).

If HR professionals do not have the right skills and are not able to think on a macro-business level, the HR function is relegated to a supportive, secondary role. On the other hand, if HR managers can re-evaluate their priorities and acquire a new set of professional and personal competencies, the HR function will be able to ride the wave of business evolution proudly with other functions in the organization (Ulrich, et al., 1995). As noted by Barney and Wright (1998), one of the reasons why HR executives are not invited to the strategic planning table is that they are all too frequently unable to display the required competencies. Ulrich, et al. (1995) have identified five sets of HR competencies that are needed:

- knowledge of HR practices,
- knowledge of business,
- personal credibility,
- ability to manage change
- and an intimate familiarity with HR Technology.
In this context, a few questions need to be answered concerning the Strategic HR role in the Malaysian manufacturing sector. What are the roles that a majority of them are playing now? Are Malaysian HR managers ready to take a more strategic role in their organizations? What barriers are hindering HR professionals from contributing more strategically to their organizations? Are its HR professionals lacking certain competencies required of one who is to be a strategic partner in an organization? Will the organizational performance relate to the competencies possessed by HR professionals or roles that they play in the organization?

Given the seriousness of the above issues and how HR professionals in Malaysia are still unable to shift their focus onto more strategic issues, this research has striven to provide possible answers to the above problems. Furthermore, previous HRM studies in Malaysia (Rozhan and Zakaria, 1996; Hazman, 1998; Othman, et. al, 2001; Normala, 2006; Zaini, et. al, 2009) are very much focused on HRM practices, which derail from critical aspect of competencies and roles needed to be played by HR professionals as they make their contribution to organizational performance. These studies tried to establish a relationship between HR practices and organizational performance. However, this could be deceiving because HR practices itself can only claim to be strategically linked if it is in line with the business objectives. One example of a common HR practice is implementing training and development programs. These programs arrange by HR department will not give any strategic impact to the organization if no objectives or goals are set which in line with business or corporate goals.

Despite the growth in ‘business partnering’ competency models and their widespread advocacy, there have been few empirical or survey-based investigations of the effectiveness of these models in making HR professionals more strategic or business-oriented (Huselid et al., 1997; Boselie & Paauwe, 2004; Ulrich et al., 2008). Caldwell (2010), argues that developing business partnering skills are antecedents of HR strategy-business strategy (strategic HR roles) and the effective business partnering performance (outcome of this linkage). Thus, in an attempt to address the above issues, this study will explore the relationship between HR competencies, HR roles and
organizational performance. It is also important in understanding whether HR roles mediate the effect of HR competencies on organizational performance, and expand the current literature and provide theoretical guidance for future empirical research.

1.4 Purposes of the Study

The purpose of this research is to better understand the roles Human Resource (HR) professionals perform in the manufacturing sector and what level of competencies they possess in the Malaysian context. On the basis of this understanding these two variables will be tested to determine if they are linked to organizational performance. This research will further explore the proposition that Human Resource Management (HRM) best analyses by means of the four roles established the model designed by Ulrich (1997). Based on his model, an HR professional needs to play strategic roles apart from his of her day to day administrative roles in order to be assessed as a truly effective HR Leader. Therefore, to perform the role of a strategic partner or a change agent in an organization, an HR professional is required to possess certain competencies. In this research, the tool of Human Resource Competency Study (HRCS) which has been designed by Wayne Brockbank and Dave Ulrich (2003) will be adopted to assess the competencies among HR professionals. It may not be easy for them to make themselves heard in the boardroom. They need to endure many hardships and overcome many barriers to become strategic partners in their organization. Furthermore, the study from Lawler and Mohrman (2003) has confirmed that HR departments have played a major role in influencing business strategy only when the HR professional has become a full strategic partner. They further conclude that HR executives who understand business strategy well are more likely to develop HR processes and systems that support the implementation of a chosen strategy.
It is hoped that by employing these models, this research will able to develop a realistic picture of HR roles and competencies required of the HR professionals in the manufacturing sector of Malaysia. This research will able to determine if HR competencies and HR roles have a direct effect on organizational performance. In other words, HR roles may also mediate the relationship between HR competencies and organizational performance. The analysis should also enable us to identify the shortcomings and barriers that are hindering the HR professionals who are currently striving to play a more strategic role and from there propose policy changes that will lead to the increase in their firm’s value.

1.5 Research Questions (RQ)

To address the above research problem, six research questions were identified and formulated as follows:

RQ1) What roles do HR professionals play in the manufacturing sector of Malaysia?
RQ2) What HR competencies do HR professionals possess in the manufacturing sector of Malaysia?
RQ3) What is the relationship between the competencies of the HR professionals and the roles they play in the organizations?
RQ4) What kind of HR competencies are related to organizational performance?
RQ5) What kind of HR roles are related to organizational performance?
RQ6) How do demographic factors impact HR competencies in the manufacturing sector of Malaysia?
RQ7) What are the major barriers that hinder HR professionals from being a strategic partner in the organization and how are the barriers ranked?
RQ8) Does HR roles positively mediate the relationship between HR competencies and organizational performance?
1.6 Objectives of the Study

Based on the research questions stated, the research objectives have been developed as follows:

a) To identify HR professional roles in the manufacturing sector in Malaysia.
b) To identify the competencies of the HR professionals in the manufacturing sector in Malaysia.
c) To identify the relationship between HR roles and competencies.
d) To measure the relationship between HR competencies and organizational performance.
e) To measure the relationship between HR roles and organizational performance.
f) To identify the relationship between demographics variables and HR competencies.
g) Identify major barriers on hindering HR professionals from playing more strategic roles in the organization.
h) To confirm whether HR roles positively mediate the relationship between HR competencies and organizational performance.

1.7 Research Hypotheses

All research questions were oriented towards quantitative methods respectively. As such, four research hypotheses were developed to answer RQ3, RQ4 and RQ5 using non-parametric analyses.

Based on the conceptual models, a correlation analysis could be developed to investigate how the conditions for HR competencies likely to relate with HR roles. Literature review of these variables will be discussed in depth in Chapter 2. As such, following hypotheses were formulated to answer RQ3:
H1: Business-related competencies are significantly related to the HR role of Strategic Partner

H2: Business-related competencies are significantly related to the HR role of Change Agent

H3: HR professional competencies are significantly related to the HR role of Employee Champion

H4: HR professional competencies are significantly related to the HR roles of Administrative Expert

A correlation analysis is also used to investigate HR competencies and roles relationship with organizational performance. Therefore, following hypotheses were to formulated to answer RQ4 & RQ5 :-

H5: HR competencies (strategic contribution, personal credibility, HR delivery, business knowledge, HR technology and internal consultation) are significantly related to organizational performance.

H6: HR roles (strategic partner, change agent, employee champion and administrative expert) are significantly related to organizational performance.

The existence of demographic variables in the study allows a comparison of HR competencies to assess the existence of differences. Therefore, hypotheses were formulated to answer RQ6 :-

H7: Demographic factors (years of experience, education level, salary and firm’s size) are significantly related to certain HR competencies.
An analysis on mediation effect is also used to investigate relationship between HR competencies, HR roles and organizational performance. Therefore, following hypotheses were formulated to answer RQ8:

**H8 : HR Roles positively mediates the relationship between HR competencies and organizational performance.**

### 1.8 Significance of the study

It is the aim of this study to enable us to understand better the existing trends in the role of human resources management in the Malaysian manufacturing sector. There is a need for HR professionals globally to become strategic partners in their organizations. HR professionals also need to equip themselves with the relevant knowledge and competencies that will enable them to meet this challenge. This research has been designed to determine the kinds of competencies that are lacking among the HR professionals in the Malaysian context. Such research findings are not only important to the organizations with respect to the decisions they must make on the roles of their HR personnel, but also to the HR practitioners themselves in their quest to climb the corporate ladder. HR practitioners need to become aware of this change in circumstances in their career development. Within this context, several researches have determined that organizational performance is indeed related to the roles that the HR professionals play in their organizations and the competencies that they possess.

There are existing barriers hindering implementation of a strategic HRM in an organization. This research will enable CEOs to identify these barriers and find possible ways to overcome it.
Overall, the emergent potential of HRM hinges on the increasingly central role of intangible assets and intellectual capital in today's economy. Sustained superior business performance requires a firm to improve continually its competitive edge. Enduring superior performance now requires flexibility, innovation, and speed to market, since competitive advantage today stems primarily from the internal resources and capabilities of individual organization, including a firm's ability to develop and retain a capable and committed workforce. As the key enabler of human capital, HR is in a prime position to leverage many other intangibles as well, such as goodwill, advertising and research and development (Becker, Huselid, and Ulrich, 2001).

1.9 Scope and Limitation of the Study

1.9.1 Scope

Several strategic roles of HR based on Ulrich (1997) model will be measured in this research such as the role of:

a) Administrative Expert
b) Employee Champion
c) Change Agent
d) Strategic Partner

Several barriers on HR professional to be a strategic business partner are as follows:

a) Lack of support from line manager.
b) Inability to measure HR’s direct impact on the bottom line
c) HR practitioner lack of knowledge & competencies to be a strategic business partner.
d) Not having time to address both administrative tasks and strategic issues
e) Lack of involvement in setting corporate goals
HR Competencies to be identified are categorized into six domains as below:

a) Strategic contribution.
b) Personal credibility.
c) HR delivery.
d) Business knowledge
e) HR technology.
f) Internal Consultation

The scope of this research is also based on 89 respondents who are HR professionals based in the manufacturing industry in Johor Bahru.

1.9.2 Limitations

There are several limitations associated with this study. In setting the parameters for this research the focus was placed solely on manufacturing organizations. This decision was based on several factors. First, many of the manufacturing companies in Malaysia have HR departments. Secondly, the researcher was able to collect more data from respondents as a consequence of it being the largest business sector in Malaysia. Therefore, like other earlier surveys, the researcher was able to utilize HR Role Surveys from the respondents. Though limited in scope, these surveys have distinct advantages with respect to its simplicity and one published study to date has verified their validity (Conner and Ulrich, 1996).

In order to keep the data collected within manageable proportions, the sample sizes for Malaysian manufacturing sector in this study were obtained only within the southern regional (Johor Bahru) in. Therefore, the results of this study only generalize the scenarios in the Industrial Estate in Johor Bahru. Perhaps most significantly, not all
companies especially the SME in Malaysia have HR managers heading the HR department. Therefore, the respondent may be carrying out HR functions and roles while not holding a portfolio as a HR manager. For this research, these respondents will be included if applicable.

1.10 Definition of Terms (Conceptual and Operational)

The following definitions are designed to explain clearly and simply the functions of the major variables used in this study.

1.10.1 Role

A set of behaviors expected of someone by virtue of his or her job duties and status. For instance, there is a general consensus that the role of the HR professional is shifting in emphasis from individuals focused on cost control and administrative activities to one focused on strategic alignment and change (Ulrich, 1997).

1.10.2 The Roles of Human Resource (HR) Professionals

In this study, HR professionals are assumed to play 4 different roles in an organization. These roles are strategic partner, change agent, administrative expert and employee champion. This model was developed by Ulrich (1997) who, with
Brockbank (2005) stresses the fact that HR professionals need to play all four roles in an organization if they are to become successful HR leaders.

1.10.3 Human Resource Management (HRM)

A number of definitions have been offered for HRM, the comprehensive definition offered by Jackson and Schuler (1995) who describe HRM as an overarching term that encompasses certain specific practices including recruitment, appraisal and selection of perspective employees, the shaping of human resource policies; the last of which directs and partially constrains the development of specific practices and overarching human resource philosophies that shape the values that inform an organization's overall policies and practices. The field consists of the various practices and associated functions used to manage people in organizations. These practices have commonly been grouped into four functional areas, which are selection, training, appraisal and reward, and staffing (Wright and McMahan, 1992).

1.10.4 Strategy

The word is derived from the Greek word *strategies* meaning the art of the military leader. Miller (1987) describes strategy as the fundamental pattern of present and planned resource deployment and environmental interaction that allow one to predict how the organization will achieve its objectives around the four components of the scope, the competitive advantage to be achieved, the resources available, the and synergy expected.
1.10.5 Strategic Human Resource Management (SHRM)

Strategic Human Resource Management (SHRM) involves a set of internally consistent policies and practices designed and employed to ensure that a firm’s human capital (its employees) contribute to the achievement of the firm’s objectives (Huselid, et al., 1997; Jackson & Schuler, 1995).

1.10.6 Competency

Competencies comprise an individual’s motives, traits, self-concepts, attitudes or values, content knowledge, experience or cognitive or behavioral skills. Ulrich (1997) further clarifies this by defining competencies as those traits that represent the knowledge, skills, and abilities that exist among employees and groups of employees.

1.10.7 Human Resource (HR) Competency

This term refers to one or more than of six categories of competencies identified within the human resources competency framework. In this study, five domains of HR competencies that are measured are strategic contribution, personal credibility, HR delivery, business knowledge and HR technology, competencies that have been compiled by Wayne Brockbank and Dave Ulrich (2002). One additional domain, which is the competency of internal consultation is added for this study.
1.10.8 HR Professionals

In this study, the term HR professional covers all those practitioners employed within the HR department. In order to avoid confusion among the survey participants, this term is restricted to those HR employees in a managerial or executive positions. However, in certain organizations, employees who execute HR work functions are not designated as HR managers or executives. These types of employees are considered to be HR professionals in this study.

1.10.9 Organizational performance

This was measured by a self-determined rating of the respondents concerning the business performance compared to competitors, profit sustainability, productivity, staff turnover and staff growth and learning opportunities. The self reported ratings of performance were chosen in this study. Lahteenmaki (1998) states that companies in general are reluctant to render financial information and published financial data are available only for larger companies at the corporate level.

1.11 Summary

There are a limited number of studies on the role and competencies of Human Resource professionals in Malaysia. There remains, currently, a lack of research published locally to determine if HR professionals are now playing strategic roles in the manufacturing sector. This research attempts to fill that void. This research will further
inform HR professionals on how best to understand and manage change within their profession, and how their competencies should enable them to contribute strategically to their organization. Other researchers and practitioners may be interested in this research for the purposes of further understanding and sharing expertise around more clearly described similarities and differences.

In this introduction, the researcher has addressed the basic issues, the need for change, and given a brief description of the definitions required for a commonality of understanding of the study. In the following chapter the researcher will attempt to provide extensive background information on the focus of the published research concerning the subject of Human Resource Management and the roles of the professionals who inhabit that domain. In addition, Chapter 2 presents the base theoretical model together with the previous research that is applicable to this study. Apart from exploring the HR roles, its required competencies are also discussed. Chapter 3 describes the research methodology, Chapter 4 analyzes the results of the data gathering and analytical activities, and Chapter 5 attempts to draw some useful conclusions, address their limitations, and indicate those areas requiring further study. In addition, Chapter 5 will discuss the implications of this research for CEOs and HR professionals.
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