

Readiness of Human Resources Professionals for their new Strategic partner Role. (A Study of Sri Lankan Companies)

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Introduction

According to Karami, Analoui, and Cusworth, (2004) the four most important factors for managing HRM strategically are business strategy, organizational culture, competency levels of HR managers, and presence of HR strategy. Among these factors competency level of HR managers is a very significant factor. If HR professionals do not have the right skills and are not able to think macro business level, the HR function would be relegated to a supportive/secondary role. 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 unable to display the required competencies. According to Ulrich (1996) there are four HR competencies needed: knowledge of HR practices, knowledge of business, personal credibility and ability to manage change.

Literature review

Wright et al., (1992) have mentioned that the best definition offered to date, comes from Schuler who states that SHRM is "all those activities affecting the behavior of individuals in their efforts to formulate and implement the strategic needs of the business". In contrast Butler et al. (1991) has defined the term SHRM as, "macro organizational approach to viewing the role and function of HRM in the larger organization". Further, Wright et al. (1992) has defined SHRM as the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals. As they pointed out their definition has highlighted the two important dimensions that distinguish it from traditional HRM. First, vertically it entails, the linking of human resource management practice with the strategic management process of the organization (Lengnick-Hall & Lengnick-Hall, 1988).

Secondly, horizontally-it emphasizes the coordination or congruence among the various human resource management practice, through a pattern of planned action (Wright et al., 1992).

Competition, globalization and continuous change in market and technology are principle reasons for the transformation of human resource management (Karami, 2004). Strategic HRM involves designing and implementing a set of proactive HR policies/practices that ensures that an organization's human capital contributes to the achievements of its corporate objectives (Wan & Kok, 2002).

Research Methods

This research study was a field survey of all listed companies in Sri Lanka. There were 242 firms as listed companies and all these companies were included for the survey. So no sampling was involved in this study. The unit of analysis was Head of Human Resource and CEO of the company. Self developed questionnaire was distributed among the organizations to collect primary data. Collected data were analyzed using computer based statistical data analysis package. In general, competency is defined as a person related concept referring to a set of dimensions of behavior constituting one's superior performance at work (Selmer & Chiu, 2004). According to Little (2004), competencies: skills needed if the behaviors of success are to be enacted with the necessary accuracy. Competencies are 'criterion validated' (Armstrong, 2001); they should be measurable because they are derived from job analyses, including characteristics such as interpersonal skill, leadership, analytical skills, and achievement orientation (Micolo, 1999). Competencies of HR managers are said to be a set of characteristics contributing to effective HR performance enabling an organization to achieve its business strategies in a competitive market (Barney & Wright, 1998). Ulrich and associates (1995) define competency as the ability to add value to the business; competence must focus on the process leading from changing business conditions to achieving sustainable competitive advantage. They have combined various aspects of competencies into four domains: knowledge of the business, personal credibility, HR functional expertise, and management of change. For the working definition of Competency of Head of HR function, this study used as "self assessment on knowledge of Human Resource Management, the ability to add value to the business and the ability to manage change". In order to operationalise the competency of Head of the HRM it was divided into three related dimensions: knowledge of Human resource Management, the ability to add value to the business; the ability to manage change. There were 11 questions on the knowledge of the

Human Resource Management. There were 6 questions on 'the ability to add value to the business'. Five point Likert Scale was used to measure the level of 'the ability to add value to the business'. There were 10 questions on 'ability to manage change'.

Validity and Reliability

To measure the external reliability of the instrument there was a test-retest. The test – retest was done by using 10 Head of HRM in Sri Lankan listed companies with two – week time interval between the two administrations. The coefficient of the test – retest of the instrument was 0.990. Accordingly, the instrument has a high external reliability. To measure the inter-item consistency reliability the Cronbach's Alpha test was used. According to the analysis there was an adequate (Cronbach's Alpha – 0.7675) degree of internal reliability with regard

to the construct. The content validity of the instrument was ensured by the conceptualization and operationalization of the variables on literature.

Results

There were 27 questions to measure the variable of competency of Head of HRM. The scores were assigned ranging from one to five. These score of the competency of Head of HRM can fall within the upper and lower limit of 135 and 27 respectively. According to the results the mean value of the distribution is 4.1280, which falls the category of "High" level of competency of Head of HRM. The standard deviation is .65962 and the variance is .43510. Since the standard deviation is small the dispersion is small. Therefore the degree of competency of Head of HRM seems to have 'almost high' in general. The minimum is 3 that mean the minimum level of competency of Head of HRM is "Moderate". Majority (42.9%) of the respondents had "High" level of competency. 22.4% of the respondents had "Very High" level of competency.

Discussion and Conclusion

It was found that the Heads of the HR of these organizations had high level of competency. Especially they had high level of strategic competency which is very significant for the practice of SHRM. Human resource are the most important resource in an organization, Since today organization face high competitive situation, competitive advantage is very critical for the success of the organization. Hence, human resources of organizations are considered as a

source of competitive advantage. Further, HRM plays a strategic role in organizations through integrating HR strategy with the overall strategy. As a conclusion according to the results of this study it can be stated that Head of HR in Sri Lankan listed companies are ready to face the challenge.

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