



CONJOINING OBSERVATIONS FROM HR EXECUTIVES ON THE SUCCESS OF HUMAN RESOURCE MANAGEMENT

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ABSTRACT

The study aimed to examine HR and division managers' perspectives on the HR function's success in terms of service delivery, responsibilities, and contributions to the business. When HR and company executives from 14 different firms were polled, the results revealed the facts (a) HR executives on a regular basis assessed their duties as more effective than their line counterparts, and (b) the most significant discrepancies were discovered in human resource management's more important and/or strategic areas. The consequences for boosting the efficacy are underlined. Line executives have no ownership of HR services unless they are indulged in the design phase. Executive buy-in enhances when they participate in the formulation and delivery of various HR services. Line executives, according to our findings, place a high value on activities like staffing and performance management that directly engage them in delivering actual practice, but they also place a low value on the effectiveness of the activities. Being a part of the delivery process may cause them to raise their expectations or to pay more attention to flaws in the design. If you want to make sure your customers are satisfied with the final product, involve them in its creation. Companies like "Halliburton Energy Services" have established oversight council comprised of good number of line executives to provide their views on the design and implementation of critical HR services including as training and development. Third, keep in mind that HR programmes and services frequently fall short of expectations not because HR systems are inadequate, but rather because line managers fail to put them into effect.

Keywords: Performance management systems; implementation; satisfaction; AMO theory; strong HRM systems



Introduction

Because of outsourcing, reengineering, and downsizing, HR executives believed that HR functions were critical to a company's performance, but their line colleagues didn't. As calls to defund HR grow, human resources (HR) executives[1], are becoming increasingly anxious about being able to demonstrate the value of the Function. Many approaches, measurements, models have been put out, but it appears that getting true data on how these line colleagues rank HR and figuring out if their perceptions match those of HR executives may be more important initially. How much agreement or disagreement there is can be used to generate more effective methods of presenting, documenting

Appraising HR's Roles

Efforts to prove the value of human resources have concentrated on a few key areas. To begin, HR executives have looked for proof linking HR to corporate performance, but their efforts have yielded conflicting results. In recent study, considerable returns have been found from investments directly in HR practices, suggesting that HR practices can contribute to corporate performance[2]. There was an association between strategic business planning and employee turnover, but no link between it and HR effectiveness, profitability, or sales per employee[3]. There was no correlation between HR involvement in strategic planning and operating success in a sample of petrochemical refineries, nor was there any evaluation of HR function effectiveness. Another strategy has been to use theoretical modeling to show how important HR is.[4], demonstrate policies add to employee contentment and organizational competence, as it has linked to customer and shareholder pleasure, the links between HR actions, what HR causes



to happen (attitudes, behavior, capability), and firm performance. However, despite the fact that these models provide a thorough theoretical foundation for HR's value-added, they only depict possible benefits rather than actual ones, both internal studies of areas where service delivery can be improved and documentation of true changes, models are quite beneficial, but line executives can find that they do not furnish persuasive authentication of any true value contributed. And to sum it all up, HR effectiveness is evaluated by surveying the company's customers to find out how they rank the function's importance and efficacy. It has been suggested that an HR audit be conducted as part of a balanced scorecard method to measure the HR function's efficacy. The effectiveness of HR was linked to the financial performance of the company and was analyzed by HR and line managers.

Additionally they have a better understanding of what is best for the company as a whole and are in a better position to weigh the services, such as those wanted by teams but costly to the business. These people are in a unique position to balance the benefits of stakeholders, customers, and employees while also maximizing the company's bottom line. Finally, although employees are an important customer segment, top-level executives are ultimately HR's most important client. As a result, we used a survey approach to gauge the efficacy of HR by polling the company's top executives and HR professionals. Evaluating Human Resources: The Roles, Functions, and Impact[5]

Staffing/succession planning, remuneration, and training and development systems are just a few examples of HR services (or practices) that are provided. Human resource management systems are built on a foundation of practices that help a company develop a trained, motivated, and dedicated workforce[[6]. For this reason, we looked at more than only HR's performance in



providing these services when evaluating the factors that make up the technical HRM effectiveness score, we wanted to find out how crucial executives thought certain HR services were to their company's ability to compete. As a result, we evaluated the relevance of each HR service as well as the performance of HR in delivering it.[7]

Aside from specialised HR services, the effectiveness of HR in various positions could be assessed. Human resources (HR) play a variety of responsibilities, which have been classified by researchers.

1. **Strategic Human Resource Management** is the process of matching corporate strategies and practices with human resources needs.

2. **Management of Firm Infrastructure** deals with the implementation of efficient HR procedures such as staffing, training, evaluation and incentive systems.

3. **Management of Employee Contribution** is concerned with keeping a close eye on the wants and issues of employees and seeing to it that these demands are addressed and problems are remedied.

4. **Management of Transformation and Change** is tasked with helping an organization change its corporate culture as well as its business procedures.”[8]

Procedure

The findings of the poll were the representation of a larger investigation of how businesses use humanbeing as competitiveness and the function of human resources in this. “Approximately 100 different companies, including sponsors of the University of Southern California Center for



Effective Organizations, Texas A&M's Center for Human Resource Management, and Cornell University's Center for Advanced Human Resource Studies, were invited to participate in the study." The research team interviewed "HR (Vice President [VP] and his/her immediate reports) and line-of-business (all corporate VPs or Vice President/GM of the strategic business unit) executives at 14 participating U.S. companies." The interview continued anything from 30 to 60 minutes. At the closing of the interview, we sent surveys to all participants, asking them to return them in a stamped, self-addressed envelope. HR procedures were included into the line survey, but other than that, the data obtained was the same for both surveys. Sampled companies included "banking, energy, processed food, insurance, computers, food services, transportation, chemicals, and pharmaceuticals" (mean employee count: 46,000; median: 42,000). Twelve of the companies were traded publicly, featuring revenues, share of the market, and profitability in the top quarter in their respective industries.

Measures

HR Services

Appendix A lists the 15 things that made up the HR service delivery. The services supplied by the HR function were described in these items, which included: "Maintaining an equitable compensation system which controls costs while retaining top performers," "Maintaining performance-based incentives to motivate individuals to focus on achieving strategic goals," and "Maintaining effective staffing systems and succession plans to ensure a steady supply of managerial talent." Using their expertise in appraising to line executives, two Senior VPs of HR came up with these ideas.[9] Respondents were assigned the task to rate each of the questions on



a scale of one to ten. To begin, they had to rank the relevance of each of the HR responsibilities in terms of how vital they are to "maintaining and/or increasing this organization's competitive position." For the HR and line, the estimated coefficients of alpha were 0.85 and 0.90, respectively. Secondly, they were required to rate the "present performance" of the HR department in relation to each of the several roles and responsibilities. The scale's coefficient alpha reliability for line respondents was 0.87, while it was 0.79 for HR participants. Both assessments were done using a scale from 1 (very unimportant/ineffective) to 7 (extremely important/effective).

Roles of HR

A sliding scale was used to assess the importance of various human resources roles. Using the results of a poll, it was determined how good HR is at delivering HR services, offering change management advising, and acting as a business partner. These duties were reassessed, this time on a scale of 1 to 10 (Not Meeting Needs = 1, All Needs = 10). Responses from the production line and human resources departments yielded coefficient alpha estimates of 0.87 and 0.89, respectively. Contributions of human capital to gauge HR's impact, we asked participants to rate their agreement with ten statements concerning HR's contribution on a scale of 1 to 7 (not at all) (to a significant extent). As an example, see: "This department has helped to improve the competitive position of our company" and "This department contributes to the development or preservation of our company's core competence." in Appendix A. Here's what the scientists came up with. Respondents in HR and line were equally confident in the scale's internal consistency and reliability (both at 0.90)[10].

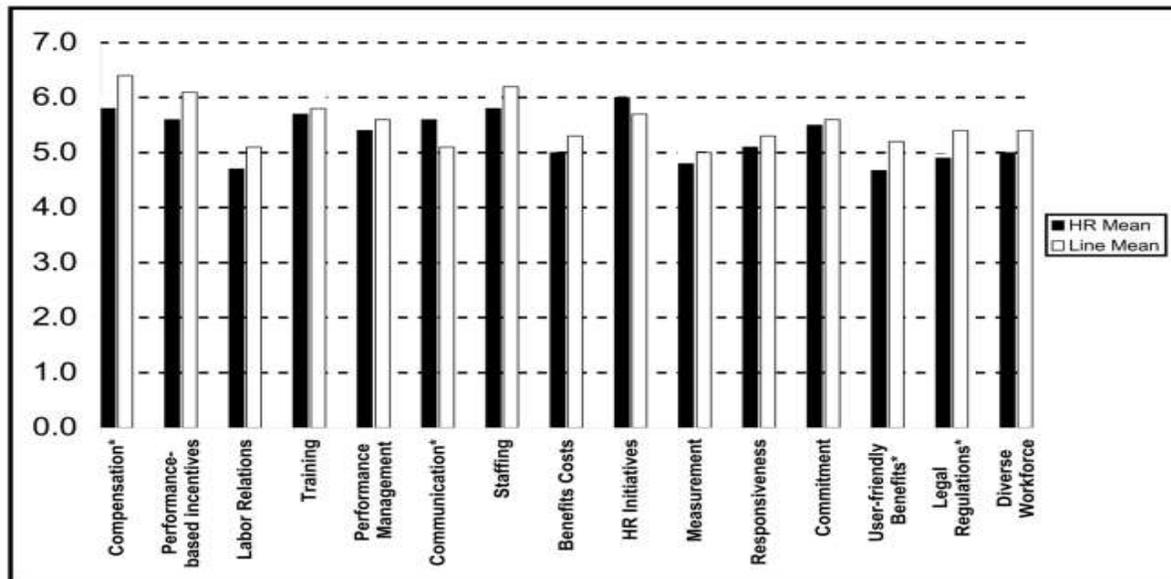


Results

The Questionnaire dealt with the graded importance and efficacy of the HR role and the disparities between HR and Managers in these ratings. Figures show the definite grades used to evaluate the effectiveness of the programme. We utilized a combination of multivariate and Univariate analysis to look for differences between HR and Managers. To begin, we used a MANOVA to compare the four variables. The results of this study showed a vital difference between both groups on a lined combined of the four measures “(F =4.96, df = 4, 98, p< .001).” We next used the items as the multiple dependent variables in MANOVAs for each of the scales. These analyses show important differences in service delivery importance “(F= 2.21, df = 15, 82, p< .01)”; service delivery effectiveness “(F= 1.79, df = 15, 80, p < .05)”; HR role proficiency “(F= 3.78, df = 5, 96, p< .01)”; and a marginally important outcome on HR contributions “(F= 1.79, df = 10, 90, p =.07)”. After that, we decided to do a series of t tests to see if there were any variations in the evaluations between HR and line executives. We also employed correlational studies to check for agreement in the relative evaluations, which are detailed in more detail below. As a result, in areas where significant variations were found (compensation and user-friendly perks, as well as legal difficulties) line executives thought the services were more vital than HR executives. Correlation of the mean evaluations across groups produced a correlation of “0.77 (p <.01)” as well. In two respects, these findings are extremely encouraging. To begin, they demonstrate that line executives consider various HR functions as crucial to the company's success. Secondly, they reveal that line executives and HR tend to agree on the true and relative value of different HR services. There were only a little minor

dissimilarity in the effectiveness of the responses from the line and HR executives. (See Figure

1)



* p < .05

Figure 1:Importance of HR Departments.[6]

t-values > 2.11 were found for training, employee commitment, HR efforts, and responsiveness.

The p-values were less than 0.05 and 9 of the 11 items had t-values that were slightly higher. The

efficacy of HR was rated higher by HR executives on the remaining 11 criteria. Between HR and

line executives across all services, there was a significant disparity in average scores. The

average line and HR ratings were associated with each other across all items by a p-value of

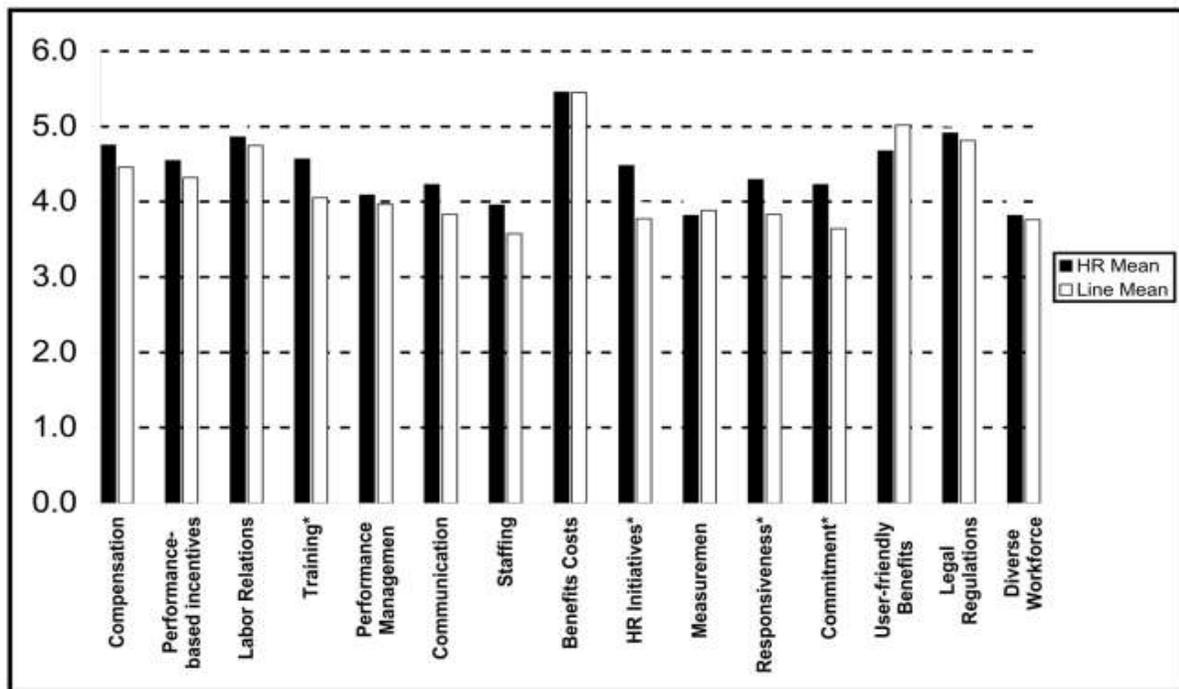
0.89. Since HR executives appear to provide higher overall evaluations, yet they agree with line

executives that HR is rather competent in providing a wide range of human resources services, it

appears (HR). Finally, we discovered a link between the most vital activities and those in which

both groups perceived HR to be ineffective. It was only reasonable for us to make comparisons

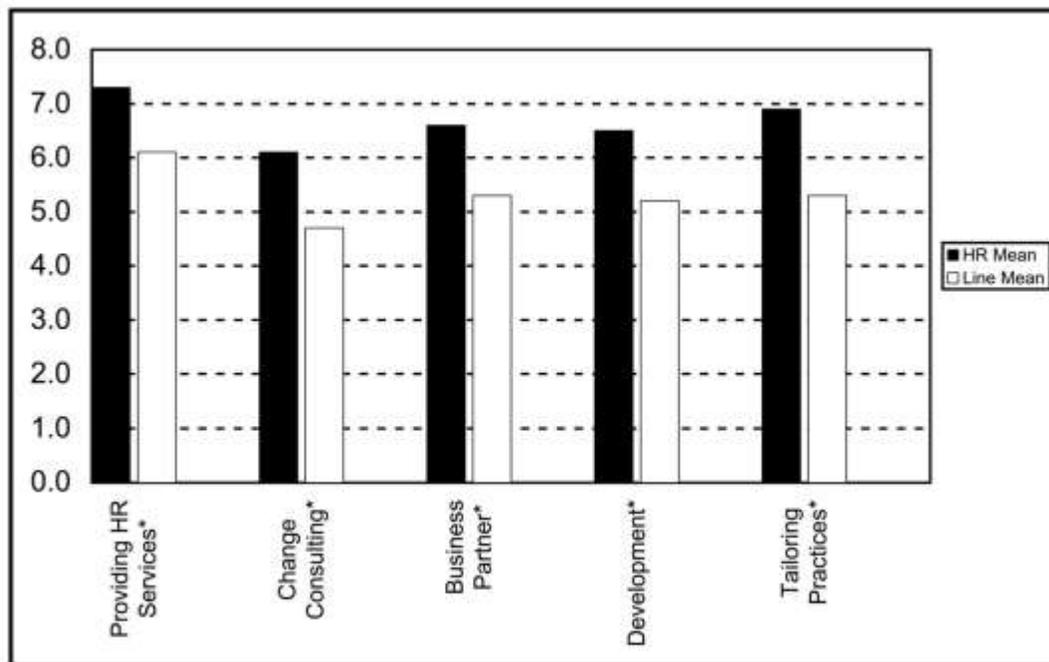
between the average importance and effectiveness rankings across various things. HR and line executives had correlations of -0.19 and -0.21 , respectively. This illustrates that both HR and line executives believe that HR is better at rendering the less vital services, and the other way around is also true. Figure 3 demonstrates that HR and line executives have conflicting perspectives on the extent to which the HR department fulfills its various responsibilities, as can be seen. “Significant differences were discovered, however, for all five jobs (t -values all $> 3.27, p$'s $< .001$), with HR executives providing between 8 and 1.6 scale points better assessments on these difficulties than the line executives.”



* $p < .05$

Figure 2 :Proficiency of H.RDepartments [6]

Finally, and perhaps most alarmingly, Figure 4 shows that line executives and HR diverge in their assessments of HR's significant addition to the company's achievement. There was a lot of disagreement in this case over the relative or absolute efficacy. According to HR executives' perceptions of absolute effectiveness, HR executives scored seven of the ten categories much higher than line executives did. There were no significant differences except in "offering helpful information," "providing a coordinated set of procedures," and "practices that complement the company goal."



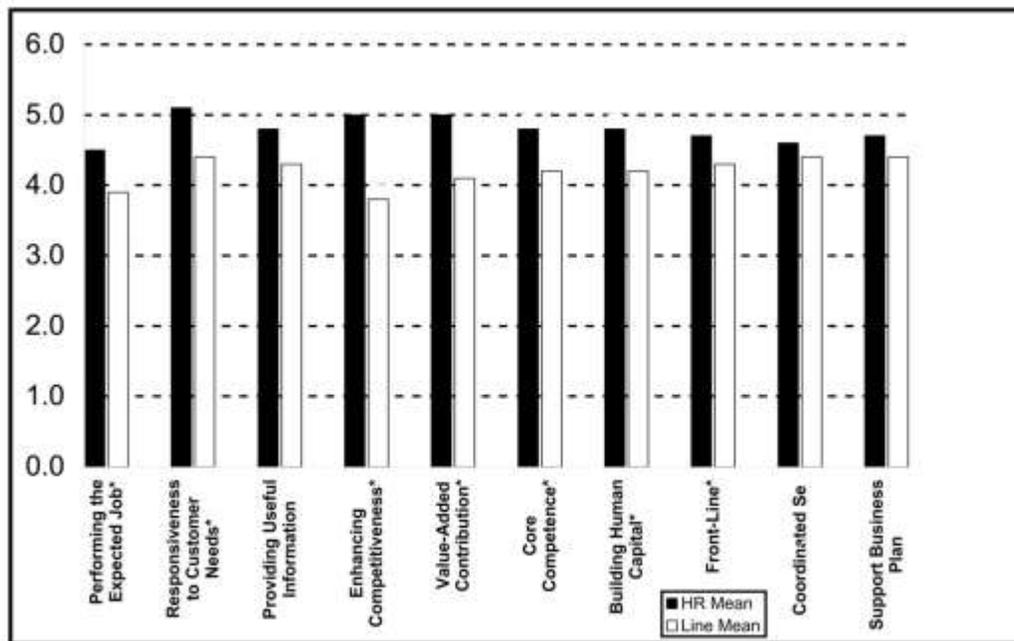
* p < .05

Figure 3 :Services of HR Roles[6]

Suggestion

A fascinating insight into how organizations evaluate HR's efficacy has emerged from our research. The results may be discouraging for HR executives, but they're truly rather optimistic

for us. To begin, our findings demonstrate that senior-level executives believe HR activities are critical to a company's competitiveness. This is a good start. Achieving equity in salary, performance-based incentives and succession planning got average priority ratings over 6 according to line executives. Line executives increasingly believe that attracting, selecting, and motivating employees (in particular management talent) are crucial to their business's future achievement and that outstanding HR services are an essential competitive advantage for the company, according to these findings.



* p < .05

Figure4 : Effectiveness of HR contributions[6]

Conclusion

Human resources executives and line executives both see the potential value of HR operations for the competitive advantage of the company and both groups agree on the strengths and



disadvantages of HR in providing such services. According to the research, line executives don't give the same high marks for effectiveness as HR executives do. These findings shouldn't depress HR leaders, but rather serve as a catalyst for change. This is a huge task, but one that our sector is more than capable of tackling. HR must act immediately in light of the historical and contemporary criticisms outlined up front, as well as the results we saw.

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