DEPARTMENT OF MANAGEMENT AND MARKETING

THE EFFECTS OF HR STRATEGIC PARTNERSHIPS WITH BUSINESS ON ORGANISATIONAL PERFORMANCE: EXPERIENCE OF THE CAMBODIAN BANKING SECTOR

BY

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A thesis submitted in partial fulfillment of the requirements for the degree of Master of Business Unitec Institute of Technology, New Zealand

2015
DECLARATION

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This thesis entitled: “The effects of HR strategic partnerships with business on organisational performance: experience of the Cambodian banking sector” is submitted in partial fulfilment for the requirements for the Unitec degree of Master of Business.

Candidate’s declaration

I confirm that:

• This thesis project represents my own work
• The contribution of supervisors and others to this work was consistent with the Unitec regulations and policies
• Research for this work has been conducted in accordance with the Unitec Research Ethics Committee Policy and Procedures, and has been fulfilled any requirements set for this project by Unitec Research Ethics Committee.

The Research Ethics Committee Approval Number: 2014-1048

Candidate Signature:

Date:
ABSTRACT

Fast changing globalisation, technological advancement, social and demographic changes and increasing international competition require Human Resource practitioners to play a completely new role as strategic partners to the business. HR leaders are required to provide consulting and strategic support by taking a pro-active, long-term, mission-related approach to human resource management initiatives to achieve organisational goals through people with the use of HR strategies and practices.

Empirical studies carried out in the field of strategic human resource management suggest that HR strategic partnerships bring positive impacts to the business resulting in an improvement in organisational excellence.

This study employs a mixed method of qualitative and quantitative approaches to examine the research question; whether or not the current HR strategic partnerships in the business are effective in the Cambodian banking sector, and, what is the extent of the effectiveness of the partnerships on the organisational performance? Questionnaires and semi-structured interviews were used as data collection techniques. A total of one hundred supervisors, managers and line managers took part in the survey while ten HR Managers and HR Business Partners (HR BPs) participated in the interviews.

The findings of the study revealed that effective HR strategic partnering affects organisational performance positively and that HR strategic partners play an increasingly important role in helping the firm to achieve its business objectives. In addition, it was found out that current HR practices in the Cambodian banking sector were up to expectation in terms of being strategic; however, due to a number of challenges in performing their strategic role, current HR leaders could only achieve a moderate extent of HR effectiveness, leaving several areas for improvement. Findings on the skillset required from HR business partners revealed that in order to effectively perform an HR strategic role, HR business partners must possess business understanding and financial acumen, coupled with a wide range of HR competencies and personal qualities. It is strongly recommended that HR business partners must work in partnership with the business to ensure positive outcomes.
ACKNOWLEDGEMENT

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My sincere thanks to the four surveyed banks for their consent given to me to carry out the research at their organisations. My thanks also extend to the supervisors, line managers, HR managers, HR business partners of the participating banks for donating their valuable time to take part in this research. Their cooperation and participation formed a substantial part in the completion of this research.

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<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AEC</td>
<td>ASEAN Economic Community</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of South East Asian Nations</td>
</tr>
<tr>
<td>HiPO</td>
<td>High Performing Organisation</td>
</tr>
<tr>
<td>HR</td>
<td>Human Resources</td>
</tr>
<tr>
<td>HR BP</td>
<td>Human Resource Business Partner</td>
</tr>
<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>HPWS</td>
<td>High Performance Work System</td>
</tr>
<tr>
<td>MFI</td>
<td>Microfinance institutions</td>
</tr>
<tr>
<td>NGOs</td>
<td>Non-Government Organisations</td>
</tr>
<tr>
<td>OD</td>
<td>Organisational Development</td>
</tr>
<tr>
<td>SHRM</td>
<td>Strategic Human Resource Management</td>
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Chapter One: Introduction

1.1. Introduction to Thesis

The Strategic Human Resource Management (SHRM) field has drawn the attention of researchers, scholars, and HR professionals for the last decades due to its enormous impact on the organisation. This attention reflects the increasingly important role of human capital in terms of achieving competitive advantage and therefore enhancing organisational excellence. It is believed that for a firm to survive and compete in the present-day knowledge-based global economy, it is crucial to acquire and develop world-class human resource management competencies and practices. This evolving belief has resulted in numerous researches in the area of SHRM linked to organisational performance.

Many of the previous studies on this particular research stream have concluded and confirmed the positive effects of SHRM on organisational performance; however, it is argued that additional studies should be carried out to obtain a broader view on the link between SHRM and organisational performance in different contexts (Guest, 2011).

To date, research on SHRM has been done in the Western context with limited focus on the Asian countries; therefore, this study on the effects of strategic human resource management on organisational performance aims to fill this apparent gap in literature by conducting an in-depth analysis of strategic HR practices in Cambodia in the context of the banking sector.

1.2. Background

The Human Resources of a company are one of the most important capitals and are the lifeblood of an organisation (Härtel & Fujimoto, 2010). Thus, workforce management is a critical constituent in driving competitiveness and enhancing organisational effectiveness.

In turbulent economic situations, failure in managing human capital and maintaining the harmony within an organisation will create fatal problems to the organisation; whereas, effective strategic human resource management can be the main factor for the success of the firm (Nel et al., 2014). A review of the literature synopsises that HR is a profession in great flux (Zwell, 2000) due to the fact that it has experienced numerous changes throughout history from administrative HR to strategic HR. Changes in the roles of HR will still remain but will rather be in new business contexts. HR professionals have become more credible business partners to look for strategic, long-term solutions contributing to the organisational effectiveness and the sustainability of a competitive advantage.
The roles that HR leaders play are increasingly important in maximising the efficiency of human resources of the firm as HR strategies and practices support employee behaviour that is vital in accomplishing key organisational processes, resulting in an accomplishment of organisational goals (Wright & Boswell, 2002). It becomes apparent that in order to effectively perform these HR roles, HR practitioners need to be fully equipped with distinct capabilities that support the business, overcome the challenges, and strive for organisational success.

The competitive forces and challenges that the firms face create a new mandate for HR requiring changes to the structure and HR functions. Human resource practitioners have been considered as administrators for the last decades; however, the need to be at the forefront of the competition requires HR functions to go beyond the delivery of administrative services (Jamron & Overholt, 2004). Consequently, the roles of HR practitioners as HR strategic partners have received significant attention among HR professionals and business leaders (Rennie, 2003; Walker & Stopper, 2000). As suggested by Ulrich & Brockbank (2005, p.134), HR should not be defined by “what it does” but rather by “its” contribution to achieving organisational excellence; therefore, adapting to a more strategic role in leveraging human capital is very crucial for the future business competitive endeavours.

Cambodia, a developing country situated in South East Asia, has been exposed to opportunities brought by the fast changing globalisation, technological advancement, and managerial innovations. However, the increasing change and complexity of the business environment, the shift towards a knowledge-based workforce, and a growing competition for skilled labour create new competitive realities for organisations leaving behind challenges that the firms have to overcome and respond to (Horgan, 2003).

Having a bank-based economy, Cambodia comprises 31 commercial banks of which 22 are local incorporated banks and 9 foreign bank branches, 7 specialised banks, and 32 licensed microfinance institutions (National Bank of Cambodia, 2011). Among the 9 foreign banks, ANZ Royal Bank, the joint venture between Australia and New Zealand Banking Group Limited (ANZ, holding 55%), one of the largest banks in the world, and the Royal Group of Companies (holding 45%), seemed to be the first commercial bank to introduce formal concepts and implementations of HR strategic partnering to the Cambodian banking sector (ANZ Royal Bank, 2012). Some other commercial banks also commenced similar practices, with an adaptation from their parent companies, in the later years (Association of Banks in Cambodia, 2012). Since the implementation of HR as a strategic partner, there has been no concrete study that reveals the effects of strategic human resource management on business performance in Cambodia.
This study focuses only on the Cambodian banking sector that consists of commercial banks, specialised banks, microfinance institutions (MFI), and Non-Government Organisations (NGOs) involved in rural credit activities. Despite significant progress, the Cambodian banking sector is facing numerous challenges. In 2000, 12 banks were de-licensed and put under liquidation procedure resulting from a restructuring programme requiring the existing banks to increase their capital base and to comply with relevant laws and regulations, introduced by the National Bank of Cambodia (National Bank of Cambodia, 2011). Also, the lack of reliable information in the lending environment and legal framework to enforce commercial contacts remain major challenges; therefore, creating a modern and efficient financial system in Cambodia is not an easy task.

The ASEAN Economic Community (AEC) will be established by the end of 2015 to provide a single market and production base making ASEAN more dynamic and competitive. With core elements of this integrated cooperation including free flow of goods and services, free movement of investments, capital, and skilled labour, Cambodia, as a member with a small economy, will get exposed to both opportunities and challenges. Capacity building continues to be the top priority for the Cambodian government, National Bank of Cambodia, and other involved parties. Institutionalising the capacity building programme, in this context, is a priority in order to improve and optimise the skills and competencies of human resources (Chun, Zhang, Sharma, & Hsu, 2001), which is part of strategic Human Resource Management (Härtel & Fujimoto, 2010) leaving behind a question “Are current practices of HR strategic partnerships with the business effective?” This question has set a theme for this study, which is to try to find the answer to the questions: “What are the effects of HR strategic partnerships with the business on organisational performance? What are the skills necessary for the HR strategic partners to effectively drive organisational performance? What are the challenges that HR strategic partners are facing in supporting the business?

1.3. Research Overview

The sequences of the research are the following:

Firstly, the introduction of the background of the research that provides an overview about the effect of the HR strategic partnerships on organisational performance, the Cambodian banking sector and the researcher’s motivation to conduct the research.

Secondly, the literature review on the effects of HR strategic partnerships, the roles of HR strategic partners, HR competencies and skills required to effectively drive the organisational excellence, and
the challenges that the HR strategic partners are facing in strategically supporting the business, was carried out to assess what has already been studied about the concerned topic.

Thirdly, the methods of collecting data are discussed. The mixed methods of quantitative and qualitative were employed to collect data. Both methods were done in four commercial banks in Cambodia namely Bank A, Bank B, Bank C, and Bank D, which are among the largest banks in Cambodia and are most suitable for the topic of the research. Pseudonyms are used and the real names of the banks are not used in order to maintain their anonymity. The quantitative data used a structured survey to examine the effects of HR strategic partnerships with the business on organisational performance, the extent of the effectiveness, and the skills and competencies required from HR strategic partners in order to effectively drive the positive outcomes. The survey involved 100 supervisors, managers and line managers in the four participating banks. Qualitative data was gathered from ten interviews with HR Managers and HR Business Partners from the four respective banks to determine the challenges that they are facing in performing their HR strategic role to support the business.

Next, data were analysed, demonstrated in graphs and figures, and discussed. Finally, recommendations were made as a result of the findings.

1.4. Research Questions

The research seeks to answer the main research question: “Are the current HR strategic partnerships with the business effective in the Cambodian banking sector and, what is the extent of the effectiveness of the partnerships on the organisational performance?”

Under the main research question, there are 5 areas being addressed in this research:

1. To determine the effects of HR strategic partnerships
2. To determine the extent of current HR strategic partnerships effectiveness
3. To identify challenges that HR strategic partners are facing
4. To offer recommendations to enhance strategic HRM effectiveness

Therefore, the sub-research questions derived from these areas are the following:

1. What are the effects of HR strategic partnerships with the business?
2. To what extent are HR strategic partnering practices effective in the Cambodian banking sector?
3. What are the skills and competencies that the HR strategic partners should possess?
4. What are the challenges that the HR strategic partners are facing?

This research is also based on the four hypotheses below:

H1: HR strategic partnerships with the business bring positive impacts on organisational performance
   Ho1: HR strategic partnerships do not bring positive impacts on organisational performance

H2: HR strategic partnering practices in the Cambodian banking sector are effective
   Ho2: HR strategic partnering practices in the Cambodian banking sector are not effective

H3: Having the right partnering skills help HR BPs to drive organisational performance
   Ho3: Having the right partnering skills does not help HR BPs to drive organisational performance

H4: Strategic HRM challenges prevent HR partners from driving organisational effectiveness
   Ho4: Strategic HRM challenges do not prevent HR partners from driving organisational effectiveness

1.5. Outline of Thesis

This thesis comprises six chapters. Chapter 1 describes the following:

• Research background
• Research overview
• Main research question and sub-research questions
• Thesis outline

Chapter 2 of the thesis describes the following:

• A literature review on HR strategic partnerships with the business
• The roles of HR strategic partners
• The effects of HR strategic partnerships on organisational performance
• The challenges that HR strategic partners are facing
• The skills and competencies that HR strategic partners should possess

Chapter 3 depicts the following:

• The research methodology
• The research paradigms
• The criteria of methodology selection
• Methods of data collection and analysis
• Ethical considerations
• Validity and reliability of the study

Chapter 4 provides the analysis of the results from the questionnaires and interviews. It discusses the following:

• The results and findings of the questionnaires
• The results and findings of the interviews

Chapter 5 illustrates the following:

• The discussion of the questionnaire results
• The discussion of the interviews

Chapter 6 of the thesis describes the following:

• The conclusion of the study
• Recommendations to enhance HR strategic partnerships with the business
• The limitations of the research
• Future research opportunities
• The closing statement

1.6. Chapter Summary

This chapter provides an introduction, background and synopsis to this research study and demonstrates an outline of the entire thesis that comprises six chapters. The next chapter, Chapter Two is the Literature Review and provides an overview of previous studies on the effects of HR strategic partnerships on organisational performance, the skills and competencies that HR strategic partners should possess to effectively drive organisational performance, and the challenges that the HR strategic partners are facing.
Chapter Two: Literature Review

2.1 Introduction

The first chapter presented the introduction, background to this study, an overview of the research outlining the business problems of the Cambodian banking sector as well as the objectives of the study. It also stated the need to adopt and reinforce a more strategic human resource management model and develop and prepare HR managers/leaders to perform effective roles as HR business partners. The fact that the world is becoming more multifaceted with changing market trends and boosted competition creates more challenges to the organisations in the way they formulate and implement their strategies. To keep up with fast-changing globalisation, companies are assertively looking for ways to ensure competitiveness through restructuring, downsizing, mergers and acquisitions along with sophisticated technologies, innovative products, and investment in people. Human resources of a company are considered to be one of the most important capitals in the operation of an organisation (Härtel & Fujimoto, 2010). In a turbulent economic situation, failure in managing human capital and maintaining the harmony within an organisation will create fatal problems for the organisation; whereas effective strategic Human Resource Management can be the main factor for the success of the firm (Nel et al., 2014).

This chapter provides an overview of the evolution of Human Resource Management (HRM) and its transformation into strategic Human Resource Management (SHRM). Consideration is given to how the HR role has shifted from being an administrative function to a true strategic business partner. A review of relevant literature focused on HR business partners’ competencies and HR professionals’ challenges as strategic partners are also discussed in this chapter. The literature further provides a comprehensive overview of the future of the HR profession and HR business partnering in the later part of the chapter.

2.2 Human Resources: Its Definition and Evolution

Definitions of human resource management (HRM) vary from authors and scholars; however, each and every one follows a consistent pattern. Consider the most widely used definition, given by Du Plessis (2015), HRM is the involvement of all management decisions and actions that affect the relationship between the organisation and its employees – its human resources. On a similar aspect, Härtel & Fujimoto, (2010) refer to HRM as “The formal part of an organisation responsible for all aspects of management of human resources” (p. 5). According to Macky (2008), HRM is all the activities and processes aimed at utilising employees to meet organisational ends. Nel et al. (2014)
elaborate on the definition of HRM as: “The efficient delivery of customised quality assured human resource management services to the internal customers of the organisation through highly efficient knowledge assents to enhance the organisation’s global competitiveness”.

Hollenbeck, Gerhart, & Wright (2006) refer HRM to HR policies and practices that include human resource planning, recruitment and selection, training and development, remuneration, performance management and other HR practices that basically have impacts on employees’ performance, attitudes and behaviours contributing to positive outcomes of the organisational performance. In addition, Rowley & Jackson (2010) are of the opinion that HRM involves a series of HR interventions and activities that provide added value to the organisation contributing to the achievement of business goals.

Also, Armstrong (2011) views HRM as the establishment of a mindset believing that organisational goals are achieved through people. In other words, HRM is a process of people management that incorporates HR activities, which are in line with business strategy in providing means to support employees to grow so that the organisation also sustains and grows. It is therefore necessary to analyse and study the original concept of HRM that forms a basic foundation to the discussion of the strategic HRM, the role of HR strategic partners and the effects that HR strategic partnerships bring to the organisation.

Regardless of the definitions given by different viewers, human resources are almost always the key element for organisational success. Human resources, compared to technological or financial resources, are the most unpredictable and valuable assets in any organisation; therefore, it is crucial that employees are managed effectively and that their personal and work needs are fulfilled, provided that the organisational objectives are to be attained (Nankervis, Compton, & Baird, 2005).

Human resource management was once called personnel management, a specialised function that began around 1900. During that period, personnel management activities were primarily clerical and managed by HR generalists (Buford & Mackavey, 2003). Supervisors and managers believed that the work of the HR department was just to recruit people for the organisation, pay them, and train them. Personnel functions were strictly focused on only administrative areas including wage/salary reports, staff benefit and compensation records and employee disciplinary procedures (Ulrich, Younger, and Brockbank, 2008).

After a few decades, personnel management became more professional; as a result, there was a growing number of personnel specialists and expanding areas of concentration including welfare management, training, recruitment, and selection (Sternberger, 2002). Even though personnel
management was more familiar to practitioners, the activities were still conducted with limited consideration of industrial relations and had not taken into account the impacts on overall organisational effectiveness (Nankervis, Compton, & Baird, 2005). The HR role was considered reactive, task-focused, and only handled operational issues. However, throughout the century, the evolution of HRM kept changing incrementally; HR practitioners and scholars have formalised and specialised in HRM resulting in an accumulation of a growing body of knowledge about HRM processes. HRM has then been characterised in literature (Nankervis, Compton, & Baird, 2005).

Personnel management was later integrated with industrial relations and HRM, marking a significant change in evolution of HRM. The main focuses of the integrated HRM approach were on enhanced industrial relations changes incorporating award restructuring, enterprise agreement, employment legislation, government intervention and sophisticated technology contributing to the overall organisational effectiveness (Ulrich, Younger, & Brockbank, 2008).

**Figure 2.1**: Evolution from personnel management to strategic HRM

![Evolution from Personnel Management to Strategic HRM](Source: Wharton & Brown (2006))
### Table 2.1: The Evolution of HRM

<table>
<thead>
<tr>
<th>Time Period</th>
<th>HR Focus</th>
<th>HR Activity</th>
</tr>
</thead>
</table>
| Before 1890 | • Industrial technologies  
• Employee well-being | • Disciplinary systems  
• Health and safety programmes  
• Time and motions studies  
• Employee counselling and testing  
• Communication programs  
• Anti-union campaigns |
| 1900-1910   | • Task design, efficiency, and impact of workgroups on individual workers | • Wage increases  
• Cost-of-living adjustments  
• Pension, health, and benefit plans |
| 1920s       | • Union of workforce  
• Passage of major labour laws | • Training and development  
• Separate divisions within personnel established: recruitment, training, labour relations, benefits, etc. |
| 1930s       | • Employee benefits and compensation | • Employee involvement  
• Management by objectives, quality circles, sensitivity training |
| 1940s       | • Employee relations  
Specialized personnel functions | • Government intervention  
• Employee rights now regulated in areas of discrimination, equal opportunity, safety and health, and various benefit reform |
| 1950s       | • Employee participation | • Employee recognition  
• Displacement  
• Expansion and enrichment of employee knowledge, skills, and abilities through  
• Job rotation, formation of integrated task teams, and outplacement  
• Diversity programs  
• Employee rights issues  
• Global perspective  
• Information technology |
| 1960s       | • Government intervention | • Changing demographics of the workforce  
• Technology  
• Strategic HR planning |
| 1970s       | • Employee recognition  
• Displacement | • Strategic HR planning  
• Transition from services and support to consultative and leadership role |
| 1980s       | • Changing demographics of the workforce  
• Technology | • Strategic HR planning  
• Transition from services and support to consultative and leadership role |
| 1990s       | • Strategic HR planning | • Strategic HR planning  
• Transition from services and support to consultative and leadership role |
| 2000s       | • Strategic HR planning | • Strategic HR planning  
• Transition from services and support to consultative and leadership role |

Source: Rothwell, Prescott, & Taylor (1998)
Building upon this stage of evolution, HRM and SHRM are intertwined. The former is considered a “micro” approach concentrating on activities, functions, and processes; the latter is more of a “macro” approach that puts a strong emphasis on strategies and policies. HRM focuses on the recognition of the importance of human capital; while SHRM focuses on the need to more closely align people with wider organisational objectives to optimise the firm’s performance. SHRM views people as not only the assets but also the potential value creators of the organisation (Rees & Smith, 2014). Strategic human resource managers provide strategic resources for high performance culture organisations necessitating human resources to contribute toward strategic differentiation, value creation, and organisational effectiveness (Buckingham & Vosburgh, 2001; Cappelli, 2008; Collins & Hansen, 2011; Lawler & Mohrman, 2003; Ulrich, Younger, & Brockbank, 2008). The fundamental shift in HR functions requires HR professionals to hold a strategic value proposition supporting the business strategy contributing to the bottom line profits through cost savings and the execution of growth strategies to sustain and compete in the market (Ulrich, Younger, & Brockbank, 2008). HRM still evolves and its future marks a topic for discussion in many literatures.

**Figure 2.2: HR continues to evolve**

![HR Continues to Evolve](image)

Source: Vosburgh, Resorts, & Mrage (nd.)
**Table 2.2:** A summary of distinctions between traditional HRM and strategic HRM

<table>
<thead>
<tr>
<th></th>
<th>Traditional HRM</th>
<th>Strategic HRM</th>
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<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>• HRM is concerned with how people are employed and managed in organisations</td>
<td>• SHRM is an approach to managing people that deals with how the organisation’s goals will be achieved through its human resources by means of integrated HR strategies, policies and practices.</td>
</tr>
<tr>
<td><strong>Underpinning theories</strong></td>
<td>• Commitment&lt;br&gt;• Motivation&lt;br&gt;• Other ideas derived from the field of organisational behaviour</td>
<td>• Resource-based view&lt;br&gt;• Human capital&lt;br&gt;• Contingency theory&lt;br&gt;• Behavioural theory</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>• Practice&lt;br&gt;• Individual performance level&lt;br&gt;• Managing people</td>
<td>• Strategy&lt;br&gt;• Organisational performance level&lt;br&gt;• Creating strategic contribution</td>
</tr>
<tr>
<td><strong>Goals</strong></td>
<td>• Ensuring that the organisation is able to achieve success through people&lt;br&gt;• Improve employees’ behavioural performance</td>
<td>• Improve organisational performance in long-term&lt;br&gt;• To generate organisational capability by ensuring that the organisation has the skilled, engaged, committed and well-motivated employees it needs to achieve sustained competitive advantage</td>
</tr>
<tr>
<td><strong>Characteristics</strong></td>
<td>• Individualistic rather than collective in its approach to employee relations&lt;br&gt;• A management-driven activity—the delivery of HRM is a line management responsibility</td>
<td>• Involves bundling HR strategies which try to address the needs of the organisation as a whole&lt;br&gt;• Providing a rationale for HR practitioners acting as strategic partners on an everyday basis</td>
</tr>
</tbody>
</table>

Source: Phasathane (2014, P. 13)
2.3 Strategic Human Resource Management and HR Business Partners

2.3.1 Strategic Human Resource Management (SHRM)

Many organisations view the HR department as an administrative function and overlook the importance of HR as a strategic partner. Such firms are less likely to reap the benefits of increasing bottom line results from the association of SHRM practices and business strategies (Ulrich, Younger, & Brockbank, 2008). Literature explicitly reveals that HR strategic partnerships have positive effects on the organisational performance and effectiveness.

Since the development of SHRM, there have been a number of definitions defined by various scholars with different areas of focus. For example, Ulrich & Lake (1991) described SHRM as “a process of linking HR practices to corporate strategy”; whereas, Wright & Snell (1991) referred to SHRM as “a form of designed organisational systems developed to drive competitive advantage through employee”. With a similar focus on HR practices and strategy, Truss and Gratton (1994) defined SHRM as “an alignment of HR practices and policy with organisational strategies and objectives, resulting in the creation of a corporate culture that encourages flexibility and innovation to obtain organisational performance”. With an emphasis on organisational capability, Mabey, Salaman, & Storey (1998) pointed out that SHRM is a bunch of HR practices that enable the development of innovative corporate strategies through organisational capability and competence. In addition, while Schuler & Jackson (2007) explain SHRM as “the integration of a firm and its people”, Alvesson (2009) emphasises the integration of employment relationships and the implementation of corporate strategies as a means of obtaining corporate goals.

To Armstrong (2008) and Peterson (2008), SHRM is a proactive, long-term, mission-related approach of human resource initiatives at the individual and organisational levels designed to accomplish organisational goals through people with the use of HR strategies and practices. SHRM links HR with strategic objectives in order to attain and improve organisational effectiveness. SHRM focuses on two integrated aspects that involve an organisation’s people, the main factor in strategy formulation and implementation and HR practices that drive and develop competent human resources for the strategy formulation processes (Schuler & Jackson, 2007).

Recently, SHRM has been defined by Härtel & Fujimoto (2010) as “a process involving planning and making analytical decisions in regard to affective, cognitive, and behavioural qualities of employees in order to improve performance excellence”. Therefore, it is believed that SHRM imposes employment policy and organisational culture that aligns with organisational objectives. Armstrong (2011), on top of that, defines SHRM as “a process of using integrated HR activities, practices, policies and strategies
to manage people in a way to attain organisational goals”. From these various definitions of SHRM, it can be clearly seen that the core concentration of SHRM is the creation of HR activities and practices that support the implementation of corporate strategies to achieve organisational excellence.

Capabilities of effective HR strategic partners comprise an in-depth understanding of the business and well-developed plans to achieve competitive advantage (Peterson, 2008). According to Schuler & Jackson (2007), SHRM is a complex system, consisting of four characteristics:

1. **Vertical integration:** HR business partners working together with line managers to have a more in-depth understanding of the organisation and its environment.
2. **Horizontal integration:** the practices in the organisation are harmonized into coherent systems, where elements mutually reinforce each other.
3. **Effectiveness:** there is a way of showing how HRM contributes to the main activities of the organisation.
4. **Partnership:** HR business partners working closely together with non-HR professionals, such as line managers and other players within the firm, toward a common goal.

**Figure 2.3:** Strategic Human Resource Management Model

Source: Nankervis, Baird, Coffey, & Shields (2014, P. 42)
It is widely accepted that organisational performance depends strongly on the behaviour and commitment of employees and that these behaviours and commitments can constitute a source of sustainable competitive advantage (Huselid, 1995; Huselid et al., 1997; MacDuffie, 1995 cited in Moideenkutty, Al-Lamki, & Murthy, 2011).

### 2.3.2 Human Resource Business Partners (HR BPs)

Many firms nowadays introduce and formalise the HR strategic business partner role based on the popularity of Ulrich’s (1997a) books that describe HR strategic partners as HR professionals who work to ensure the success of the business by aligning HR practices and strategies to business objectives (Phasathane, 2014). The term “business partner” that is widely and enthusiastically used by HR professionals in developed countries has been shortened from “strategic business partner” according to Armstrong (2012).

According to Caldwell (2010), HR business partners are HR professionals who work closely with line managers, assisting them to achieve their business purposes through people management. Furthermore, Ulrich, Younger, Brockbank, & Ulrich (2012) refer business partner to “strategic positioners” and consider them as high-performing HR professionals who possess advanced knowledge of the business including global business contexts (economic, social, technological, and political trends), with an ability to translate and apply this knowledge to create HR vision and strategy so as to facilitate the formulation and implementation of the overall organisational strategies. In essence, HR business partners are HR managers who have well-rounded knowledge of HR strategic partnerships and an in-depth understanding of the business, and provide consulting assistance to top management to achieve the business’s long-term strategic objectives. Armstrong (2012) is of the opinion that HR strategic partners are those who formulate HR strategies, which are in line with business objectives, allowing inputs from an HR perspective in formulating and implementing the firm’s business strategies.

Strategic business partners are trusted advisers that influence the client through credibility, expertise, skills, and knowledge; they establish credibility by providing strategic solutions and delivering objective advices (Kenton & Yarnall, 2005, p. 3). By gaining this credibility, strategic business partners could position themselves to offer executive inputs and influence the strategic business decision-making. Business partners have certain priorities considered the key drivers that determine competitive advantage and organisational effectiveness and key performance indicators to stay on course and support the business goals (Radford, 2010). Lockwood (2006) describes key performance...
indicators as business-specific measures that determine critical success factors as well as long-term business objectives and intensify human capital’s strategic influence in the organisation. Strategic business partners support the organisation’s business plan by focusing on the needs of the entire organisation over a long-term period and help develop business strategies, taking into account the integration and execution of human capital strategies (Robinson & Robinson, 2005). Robinson & Robinson (2005, p. 29) further state “strategic business partners perform transactional work and tactical solutions in support of strategic initiatives”; however, it is believed that the majority of HR business partnering work is strategic in nature. Supported by Kenton & Yarnall (2005), HR business partners provide strategy and advice rather than carrying out or implementing strategy. HR strategic business partners anticipate stakeholders’ needs, act flexibly, and are proactive.

In addition, ensuring sustained values by establishing organisation capabilities, nurturing individual abilities and investing in sound HR practices is a core concentration of HR strategic partners (Ulrich & Smallwood, 2006). HR strategic partners have a role to play in both managing the cost of people in the business and empowering line managers with greater responsibility in people management processes meaning to reduce employee turnover and enhance organisational performance (Darwish & Singh, 2013). HR strategic partners involve formulating HR strategies that align with business objectives and apply business needs to HR functions and initiatives (Robinson & Robinson, 2005).

2.4 The Role of HR Business Partners

Armstrong (2011) describes two main roles of HR practitioners: transactional and strategic. While the transactional role of HRM involves dealing with administrative aspects of HR such as recruitment, training, compensation and benefits, and legal compliance; the strategic role concerns more with formulating and implementing forward-thinking HR strategies that are in line with organisational objectives that enable HR professionals to drive organisational excellence through HR practices and strategies.

Strategic involvement of the human resource and its effects on an organisation’s performance has been closely concentrated on in recent years. A resource-based model of HRM developed by Boxall (1996) as cited in Karami, Jones, & Kakabadse (2008) identifies HR’s responsibilities in boosting business success and being an indicator for enhanced organisational effectiveness. Besides, Armstrong (2008) categorises HR business partnering works into two main areas: transactional and strategic. Transactional activities are more about the day to day services delivery aspects of human resources such as recruitment, training, legal compliance, and dealing with people issues. HR strategic activities,
however, support the business in achieving the organizational goals through a development and implementation of forward-looking HR strategies that are aligned with business strategies.

In addition, the past literature by Ulrich (1998, p. 124) revealed four HR proactive roles in creating and delivering value. The roles include acting as a **strategic business partner** to line management and seniors in strategy execution, as **experts** in the way work is organised and executed, as **champions for employees**, and as **agents** of continuous organisational transformation.

**Figure 2.4:** The role of HR business partners

![Figure 2.4](image)

Source: Ulrich & Brockbank (2005)

Ulrich and Brockbank (2005) reformulated this model of HR roles that HR plays in order to deliver organisational effectiveness:

- **Strategic partner:** Strategic business partnering involves multiple dimensions incorporating business expert, change agent, strategic HR planner, knowledge manager and consultant. These dimensions are combined to align HR systems with business strategies making sure that business strategies are executed through people.

- **Employee Advocate:** Focuses on the employee’s personal and work needs through listening, understanding, and empathizing.

- **Human capital developer:** Managing and developing human capitals, nurturing employee capabilities, and preparing them to be successful in the future.

- **Functional expert:** Having well-rounded knowledge and in-depth insight on HR practices that are central to HR value. HR practices involve foundation HR practices such as
recruitment, training and development, compensation and benefits and the emerging HR practices – work processes, communication, leadership development, etc.

- **Leader**: HR leaders lead HR function, collaborate with other functions, provide leadership to them, set and enhance standards for strategic thinking, and ensure corporate governance and deliver seamless service.

With a similar point of view, Court (2011) identifies three major roles that strategic human resource business partners play: driving high performance, building capacity to change, and managing talents (Court, 2011). These roles that HR business partners play are discussed in details below:

### 2.4.1 HR Business Partnering and High Performance Organisation

“There is no single, agreed-upon definition of high performing organisation, nor consensus about the components it should have” (Geophardt & Van Buren, 1996 as cited in Boselie, 2010). High Performance Organisations (HiPOs) and their employees sustainably and consistently outperform their peers by embedding high performing work cultures, which is the secret to gaining competitive advantage in this constantly changing business environment (Farrell, 2013).

Doyle (2013) is of the opinion that there are five most critical characteristics of High Performance Organisations (HiPOs) namely (1) Clear objectives and business strategy, (2) Robust performance management, (3) Engaged, fully developed and empowered employees, and (4) high leadership and ethical standards.

High Performance Organisations (HiPOs) comprise business goals that are aligned throughout the organisation. The Strategies are clear, concise and easy to understand. Because everyone in the firm has a role to play in achieving organisational goals; therefore, it is important that everyone in the business is well aware of and understands the business strategy and how they can contribute to the goal attainment. Communication is open, honest and frequent (Doyle, 2013).

Managing high performance is theorised and implemented with the specific aim of making an impact on organisational performance through its people –their knowledge, skills, abilities, motivation and social relations in areas of productivity, quality, growth, profits, level of customer service and satisfaction, and increased shareholder value ((Combs, Liu, Hall, & Ketchen, 2006); Armstrong, 2008). High performance management practices include comprehensive recruitment and selection procedures, extensive and relevant training and development activities, incentive pay systems and performance management processes, all of which are often called a High-Performance Work System (HPWS).
HPWS is explained as a management strategy (Cocks, 2012), managerial practices (Macky, 2013), an HRM system (Evans & Davis, 2005; Posthuma, 2013), and an outcome of strategic HRM ((Combs, Liu, Hall, & Ketchen, 2006)) in which employees are portrayed as recipients of planned change, who react to the practices that management dictates and “find that their needs are met by the opportunities and benefits these practices provide” (Ramsay, Scholarios, & Harley, 2000, p. 503). Even though HPWS is given different definitions by scholars and commentators, the common baseline of HPWS is about enabling high performance through people (Tomer, 2011, P. 64), in other words, to achieve high performance by adopting practices that recognize and leverage on the employee’s ability to create value (Gittel et al, 2009, P. 490).

The main purpose of HPWS is to establish an organisation based on employee involvement, commitment and empowerment, rather than employee control (Tomer, 2011) and creating workplaces that are both highly productive and offer employees high levels of job satisfaction (Godard, 2004). HPWS includes work practices and employment practices that are complementary, mutually supportive, and together produce system-wide effects – commitment and performance. Work practices incorporate self-managing teams, flexible work assignments, open communication, extensive up-skilling and training agendas, and decentralized decision-making; while employment practices involve employment security, skill- or performance-based pay and worker–management partnership (Macky, 2013; Evans and Davis, 2005; Posthuma et al., 2013).

It is believed that employees will increase their involvement and commitment with the organisation if they are given the opportunity to control their work; in other words, being empowered and engaged ((Combs, Liu, Hall, & Ketchen, 2006); Nel et al., 2014). High performance organisation necessitates HR strategic partners to perform leadership roles in empowering and engaging employees to foster employees’ affective commitment and turnover intention. Thomas and Velthouse (1990), as cited in Albrecht & Andreetta (2010), conceptualise empowering leadership as leading by providing control and power that in turn brings a psychological influence on employees’ competence, meaningfulness, and self-determination. A research conducted by Halbeslenben (2010) reveals a close relationship between employees’ engagement and leaders, which reflects the influence of leadership on employee work performance. HR strategic business partnerships with the business and strategic HR leadership enable influence and bring positive outcomes in exercising employees’ full potentials, commitment, and engagement. The influence could be in many forms; for example, encouraging them to make decisions, showing concern for them, accepting their ideas, and creating a sense of belonging and acceptance. Once they feel as if they belong to the firm, employees will work diligently towards the common goals and never think of leaving the organisation. Mendes & Stander (2011) also express the
same opinion that when employees are engaged and empowered, they are likely to work hard and stay long in the organisation.

### 2.4.2 HR Business Partner as a Change Leader

The world is denoting a bewildering pace of change in not only business and economics but also socially, demographically and environmentally. This rapid change results in new markets opening up everywhere possible, new workforces emerging and new ways of working challenging our thinking. Therefore, it is necessary to strategically cope with the world of expanding diversity and change (Waddell et al, 2014). However, dealing with change could be very challenging as it is considered to be a positive and negative phenomenon (Neal, 2008). Those who view change positively will deal with it effectively while the negative thinkers towards change do not accept change and are reluctant to apply it (Peccei, Giangreco, & Sebastiano, 2009). In this regard, change requires an effective organisational development practitioner or a change agent who has a well-rounded knowledge of the subject matter, skills necessary for change, interpersonal relationships, and leadership qualities to take on initiatives and lead the change in the organisation (Skringar & Stevens, 2008).

According to Wanda et al. (1997) as cited in Barratt-Pugh, Bahn, & Gakere, (2013), change management is a systematic, continuous and iterative practice of modifying certain workplace systems, behaviours and structures to improve the efficiency and effectiveness of the organisation. Meanwhile, Waddell et al. (2014) refer change management to organisational development (OD), a planned change process of improving organisational effectiveness through the application of behavioural science knowledge--leadership, group dynamics, international relations, strategy and organisation design. Change leaders, often called change agents, are those who possess a well-rounded knowledge of the subject matter, skills necessary for change, interpersonal relationships and leadership qualities to take on initiatives to lead the change (Coskun & Krdzalic, 2008). Also, because resistance to change prevents change from taking place and has significant influences on organisational development, it is crucial that the change agents can reduce and overcome such resistance to ensure successful organisational change (Peccei, Giangreco, & Sebastiano, 2009). In essence, change agents contribute to the entire change process by assisting organisation members to cope with change ensuring organisational effectiveness.

HR plays an increasingly important role in organisational change forming a relationship that reflects the increasing focus on human resources as a source of strategic advantage rather than a peripheral component of production (Barratt-Pugh, Bahn, & Gakere, 2013). Kane & Hermans (1996) are of the opinion that HRM approaches are diverse, and encompass regulatory, resource-based and partnership
models. However, some researchers referred to “strategic” HR activities as long ago as three decades and it is believed that these strategic HR activities bring positive effects on organisational change and development (Beer, 2009). Huselid, Jackson, and Schuler (1997) claims that in a world where everyone can easily gain access to capital and technology, strategic HR practices may be viewed as the key to achieving competitive advantage.

According to Ulrich & Brockbank (2005) as cited in Long & Ismail (2012), an HR strategic partner has a role to play in easing the effect of change in organisations and protecting employees against some of the unwelcome impacts. Organisations going through major change have to make sure that their people perceive change positively and support the change process (Neal, 2008). However, this could be very stressful if the senior executives themselves have not been fully engaged in the decision-making process and are worrying more about their own personal futures than that of the business. As a result, as part of strategy development, the competencies of the leaders who will drive the transformation must be ascertained (Skringar & Stevens 2008). It is fundamental that HR is involved at the top from the earliest stage in the desired business transformation in order to measure the competence for change by using recognized tools, ensuring and supporting the leadership for change, and acting on HR strategies in accordance to the business strategies to maximise the value of business changes (Neal, 2008). It is crucial that, in times of change, clarity of vision and a single consistent message is clearly communicated with passion and enthusiasm by the top team regardless of the result – growth or downsizing. HR therefore must demonstrate clear links with the business strategy, the mission, the vision and the values and ensure that all communications and development initiatives that take place in an environment of business transformation are clearly designed to support the messages and promote the spirit of the transition (Barratt-Pugh, Bahn, & Gakere, 2013).

In addition, Nel et al. (2014) reveal that effective organisational change and development requires employee participation, engagement and creativity to change and improve business practice; therefore, the responsibility lies with the HR strategic partner role to maximise the value of change for the business through people and for the people. It is important that HR leaders understand the importance of the people and the contribution they make to the health of the business, drive employee participation, engage, inspire and empower them to take on initiatives, overcome challenges, and to change, and deliver retention and motivation during a variety of change situations (Neal, 2008). More importantly, as a leader, a fully involved partner and the champion for the human capital, the HR strategic partner is fully involved in the change process, sitting at the table with the top management team and bringing the people dimensions of all the potential strategic moves into clear focus ensuring maximum value and minimising effects on employees (Edgley-Pyshorn & Huisman, 2011).
The maximum value of business change can be attained through a strategic partnership of HR, the catalyst for change that brings about clear people strategy, an integral part of the business strategy, to lead the entire change process, ensure effective communication, and prevent the commonly experienced pitfalls of change. The table below summarises a set of questions for HR strategic partners as change catalysts to consider in times of change.

Table 2.3: Avoiding the pitfalls of change- some questions to ask

<table>
<thead>
<tr>
<th>Vision</th>
<th>Skills</th>
<th>Incentive</th>
<th>Resources</th>
<th>Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Can you define in simple terms what your customers/employees will experience when you have changed?</td>
<td>Have you defined the skills and knowledge that your people will need to have in order to live the vision?</td>
<td>Can the leadership team clearly express the benefits that will flow to the organization from the change?</td>
<td>Have you clearly identified the “extra” resources that you need during the change period?</td>
<td>Do you have a clear, well communicated and managed plan for implementing the change?</td>
</tr>
<tr>
<td>If you pick anyone from your organization at random, could they express what it will feel like when you have changed?</td>
<td>Have you agreed with each of them how their current skills and knowledge compare with those that they need in the future?</td>
<td>Can each individual who will be affected by the change (inside and outside the business) see “what’s in it for them”?</td>
<td>Do each team and individual have the time, budget and project management skills to deliver their element of the change?</td>
<td>Have you checked that this links with the individual business plans for separate teams/units/divisions?</td>
</tr>
<tr>
<td>Do people get excited when you tell them the vision?</td>
<td>Are they excited about their personal development plan?</td>
<td>Is there a consequence for resisting and delaying the change?</td>
<td>Have you significantly increased your investment in communication?</td>
<td>Can everyone in the organization tell you what the key milestones are and when they are due?</td>
</tr>
<tr>
<td>– If not, you can expect confusion</td>
<td>– If not, you can expect insecurity</td>
<td>– If not, you can expect slow change</td>
<td>– If not, you can expect frustration</td>
<td>– If not, you can expect stoo/start progress</td>
</tr>
</tbody>
</table>

Source: Neal (2008, P. 31)

2.4.3 HR Business Partner and Talent Management (Driver of talents)

According to Tansley (2011), the meaning of talent is generally assumed but not explicitly defined. Talent generally refers to people who make the greatest difference contributing to organisational performance, either through their immediate contribution or in the longer term by demonstrating high level of potential. In large firms, talent is associated with high potential employees, someone with exceptional ability, strong engagement, and aspiration to succeed in more critical and senior roles (Chartered Institute of Personnel and Development, 2009). Talents are often grouped into talent pools to represent collectives of talented employees who are considered as resources and will then be used, for example as a means of secondments, internal recruitment, and other resourcing project work for certain classified pools such as management roles, emerging leaders, and rising stars (Caplan, 2014).
Talent management is a strategic and holistic approach to both HR and business planning to obtain long-term organisational outcomes. It is generally regarded to be closely related to concepts of strategic HRM (Collings & Wood, 2009). Effective talent management improves employees’ performance and enhances their capability to make a difference to the firm (Revis, 2008). Ellstrom & Nilsson (2012) is of the opinion that good talent management is a strategic importance that differentiates an organisation and significantly improves strategic execution and organisational excellence.

The key to strategic success is talent; however, talent is harder to find, manage, and retain than ever before, but easier to waste and lose (Cheese, 2008). Previous researches have shown that recruiting exceptional individuals, even if affordable, can cause complications if they are not managed properly (Coulson-Tomas, 2012). Some talented people may become bored and disconnected when the tasks given do not match with their interest and credentials resulting in the loss of interest and commitment to the job. Also, colleagues who are not high achievers may feel threatened; therefore, mistreatment of talents can lead to other colleagues feeling alienated resulting in an unhealthy work environment.

Training and development activities often give attention to what people are not good at rather than enabling them to achieve more in the areas in which they excel and employees are generally encouraged to address weaknesses in activities they may not enjoy, rather than build upon their strengths and do what they enjoy doing and do best (Coulson-Thomas, 2012).

These underlying facts require HR strategic partners to look beyond the old paradigm of filling the vacancies and training and development activities but instead understanding talent essentials in congruence with the business strategies. The strategic approach to meeting the talent imperatives involves HR strategic partners to establish a comprehensive talent management framework in collaboration with line managers and HR shared services to enhance strategic resource planning, integrated processes for recruiting, career planning and developing talents (Pruis, 2011). Moreover, the need to identify the more critical skills necessary for executing the business strategy and differentiating from its competitors lies beyond HR business partners’ ability to engage talents and realise their full potentials through monitoring and coaching (Cheese, 2008).

The literature does not shed light to the assessment of the current HR practices in the context of Cambodian banking sector since there has not been any study on the effects of HR strategic partnering on organisational performance in the Cambodian banking sector previously. Therefore, this study will fill this gap in the literature and will add value to the body of knowledge of this topic and area of research.
2.5 Strategic HRM Effectiveness

Effectiveness, basically, refers to identifying and doing the right things. HRM effectiveness concerns meeting the needs of its clients through executing HRM’s various roles and implementing effective HRM systems and practices (Nel et al., 2012). Having the right roles and responsibilities of HR strategic partners and HR leaders provides additional capacity for the team to build new and improved HR practices, ensuring an alignment of HR strategy with business strategy (Ulrich, Younger, & Brockbank, 2008). In essence, the concern with strategic HRM effectiveness comes with the demands placed upon HRM in an ever-changing business and management context, with greater competitive pressures in the banking sector (Darwish, 2013).

Strategic HRM effectiveness is usually linked with organisational performance; however, the term ‘performance’ is more specific than ‘effectiveness’; therefore, researchers usually refer to the term ‘effectiveness’ when they consider multiple outcomes of performance in their studies (Nigam, Sharma, & Tripathi, 2011).

Strategic human resource management (SHRM) is about the relationship between human resource management (HRM) and strategic management in an organisation (Macky, 2013). Conceptually, organisational performance may have referred to the comparison of the actual value generated by a company with the value that the owners expected to receive from the company (Nigam, Sharma, & Tripathi, 2011). Also, performance may be explained in terms of financial indicators (profits, sales, return on assets) or capital market outcomes (market share, stock price, and growth). However, when it comes to strategic partnerships with the business, performance can be defined in terms of HR-related outcomes, such as employee turnover, absenteeism, job satisfaction, commitment, and others, or even organisational outcomes, including productivity, quality, service, efficiencies, customer satisfaction, and others (Singh, Tamer, Ana, & Anderson, 2012). However, the fact remains that there is no general consensus on the way in which organisational performance can be defined (Darwish & Singh, 2013).

There have been a growing number of empirical studies about the link between strategic HRM and organisational performance since the 1990’s. The impacts of HRM strategy and practices on performance was an important topic in the field of HRM, industrial relations, and industrial and organisational psychology since the 1980’s (Boudreau, 1991; Jones and Wright, 1992; Kleiner, 1990 as cited in Chang & Huang, 2005). Previous studies have examined strategic human resource management (SHRM) as a means of enhancing organisational competitive advantage (Khatari, 2000; Poole & Jenkins, 1996). According to Begin, 1991; Butler et al., 1991; Schuler & Jackson, 2007, HRM
practices contribute to the source of sustained competitive advantage and lead to enhanced organisational performance by leveraging HRs, discretionary efforts, and desired behaviours (Becker & Gerhart, 1996; Singh, Tamer, Ana, & Anderson, 2012), provided that the HRM strategy and practices are aligned with the organisation’s competitive strategy.

Chang & Huang (2005) believe firmly that when organisational human resource strategy is properly aligned, it will provide a direct and economically significant contribution to an organisation’s performance.

This approach to organisation strategy planning has then been widely adopted by scholars and practitioners; however leaving an underlying assumption of SHRM that a set of HRM practices influences the organisational performance (Chang & Huang, 2005). A lot of studies suggest that certain HR practices have positive impacts on organisational performance.

Wall & Wood (2005) believe that a set of HR practices of SHRM can result in greater impacts on the organisation than each individual practice does due to the fact that the whole bunch carries a greater power of influence than a single element of its part. For instance, hiring the best talents in the market without proper training and development agenda as well as talent management framework to retain talents does not suffice anymore in today’s competitive business environment. However, deploying a number of practices including comprehensive recruitment and selection procedures, extensive and relevant training and development agendas, incentive pay systems, and performance management processes will enable the firms to reap the benefits of SHRM.

Ulrich & Smallwood (2006) also reveals that the alignment between SHRM and organisational strategy can yield many benefits, including higher job performance, cost-effectiveness, increased employee commitment, and innovation. Darwish & Singh (2013) have also found that an HR strategic partner empowers line managers and helps the firm in times of organisational change and development, which eventually contribute to the building of responsible line managers (Budhwar, 2000). It is argued that HR strategic partnership with the business and the involvement of HR strategic partners in empowering line managers with greater responsibility can reduce employee turnover and improve organisational performance (Sullivan, 2003; Karami, Jones, & Kakabadse, 2008; Singh, Tamer, Ana, & Anderson, 2012). Moreover, it is indicated that a good and effective relationship between the line managers and HR strategic partner can help the latter to realise and have a more in-depth understanding of the problems within different organisational functions (Barratt-Pugh, Bahn, & Gakere, 2013).
The impact of strategic HR practices on the firm’s productivity and financial performance is still controversial among a number of scholars. In the opinion of Edgley-Pyshorn & Huisman (2011), HR strategic partners drive business performance. With a similar stance on the impact of HR business partnering, Lawler & Mohrman (2003) hold a view that HR specialists who want to be successful drivers of organisational performance need to be expert in understanding business strategy and ways to support its implementation. However, Long & Ismail (2012), in a debatable opinion, reveal that HR specialists get most job satisfaction from exercising their traditional HR skills, and least satisfaction from using their skills as business partners. Having said that, Long & Ismail (2012) do concur that the concept of HR partnering seems promising to the business; however, for HR departments to move from an operational to a strategic role is quite a challenge as it is more than just a change in job title and job description. A new set of skills is required from HR professionals in order to be able to align with the business strategies and add real values to the business (Brockway & Park, 2007).

This part of the literature relates to Area 1&2 and Sub-question 1&2 of the research and answers the main research question, which aims at determining the impacts of HR strategic business partnerships with the business on organisational performance.
2.6 HR Business Partner Competencies

Competencies for HR professionals that shape their performance include ability, knowledge and skills, and personality (Ulrich, Brockbank, Younger, & Ulrich, 2012). The success of strategic HRM in a turbulent market environment is increasingly relying on the improvement and strengthening of individual HR practitioner’s competencies and skills in mobilising their strengths, knowledge, and expertise in the organisation. In other words, having the right and necessary set of skills and competencies is a success factor for HRM’s as well as for an organisation’s survival (McGuire, 2015).

A study by Pietersen & Engelbrecht (2005) on the strategic-partnership role of HR managers supports the claim of Lawler & Mohrman (2003) that strategic involvements, personal credibility, business knowledge and HR competencies are crucial for an HR manager to be an effective HR business partner. It is crucial that HR managers handling HR partnering roles have a set of skills, competencies, and personal qualities and attributes (Pietersen & Engelbrecht, 2005).

Figure 2.6: HR Skills and Competencies

![Diagram](source: Mohrman (2003))

Inducing from previous studies of Lambert (2009) and Ulrich, Brockbank, Younger, & Ulrich (2008), this research study focuses on three dimensions of competencies and skills of HR business partners:
knowledge of the business and financial understanding, HR technical competencies, and personal attributes and qualities.

Lambert (2009) adds on to say that HR business partners need to be strategic thinkers with a well-rounded knowledge of the business including organisational context, business strategies, and the business environment. According to Ulrich, Younger, Brockbank, & Ulrich (2012), HR leaders must have a high-level picture of their firm in order to be able to develop long-term perspectives to form business directions that are in line with the corporate strategies. On top of that, an understanding of a firm’s business model, in other words, how the firm operates and competes in the market is an essential capability that HR business partners must have in order to perform HR partnering roles. Meanwhile, HR partners need to understand the challenges that managers face in delivering business expectations (Kenton & Yarnall, 2013).

Ulrich and Brockbank (2005) are of the opinion that HR business partners need to be business and financially literate to understand the language of business and finance, in particular, to be able to read balance sheets or income statements of the business that they are supporting. The extra mile that HR business partners go in order to have a holistic view of the business helps them to understand the status of the organisation and to treat the business as theirs, resulting in the contribution of a well-informed strategic decision making process (Ulrich, Younger, Brockbank, & Ulrich, 2012)).

Together with business awareness, HR business partners must have a well-rounded knowledge of HR theory and practice. In other words, they should have a thorough knowledge of their own role mandates, understanding how HR functions are operated and how other organisations look and compare. The need for HR professionals to be fully aware of the external business context necessitates HR business partners to foresee opportunities and challenges that prepare them to position the firm in the market (Ulrich, Younger, Brockbank, & Ulrich, 2012)). Moreover, strategic partners must also have an ability to interpret and anticipate trends by possessing business sector knowledge as well as organisational development knowledge for analysing the people issues affecting business performance (Vacassin, 2009 as cited in Lambert, 2009).

On top of that, personal qualities and attributes also play an important role in creating credentials for HR partners to drive the increase of organisational performance. The right calibre, with the right personal characteristics, of a strategic partner is believed to contribute to a huge difference in sustaining robust relationships with line managers (Ulrich, Brockbank, Younger, & Ulrich, 2012). The aforementioned three dimensions of competencies and skills are developed into a number of competencies and qualities summarised in Table 2.4 below.
Table 2.4: Necessary HR partnering competencies and qualities

<table>
<thead>
<tr>
<th>(1.) Business and Financial Acumen</th>
<th>(3). Personal Attributes</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Business awareness and expertise</td>
<td>• Independence</td>
</tr>
<tr>
<td>• Financial understanding</td>
<td>• Resilience</td>
</tr>
</tbody>
</table>

(2). HR Technical Competencies

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Recruitment and Selection</td>
<td>• Influencing</td>
</tr>
<tr>
<td>• Compensation and Benefits</td>
<td>• Coaching</td>
</tr>
<tr>
<td>• Training and Development</td>
<td>• Consulting</td>
</tr>
<tr>
<td>• Employee Relations</td>
<td>• Critical thinking</td>
</tr>
<tr>
<td>• Organisational Development</td>
<td>• Analytical</td>
</tr>
<tr>
<td>• Employee Services</td>
<td>• Negotiation</td>
</tr>
<tr>
<td>• Problem-solving</td>
<td>• Conflict Resolution</td>
</tr>
<tr>
<td>• Conflict Resolution</td>
<td>• Leveraging networks</td>
</tr>
<tr>
<td>• Communications</td>
<td>• Leadership</td>
</tr>
<tr>
<td>• Communications</td>
<td></td>
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<td></td>
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</tr>
</tbody>
</table>


In addition to the above-mentioned skills and competencies, personal attitudes are also crucial for HR leaders to provide effective and successful HR partnerships to the business. It is believed that when the incumbent has the right and positive attitudes, they can master the right skills and capabilities fast and will bring positive outcomes to the team and organisations (Du Plessis, 2015).

All in all, previous studies by Lambert (2009), Ulrich, Younger, Brockbank, & Ulrich (2012), and Du Plessis (2015) helped the researcher to explore a number of competencies and qualities that HR business partners should possess in order to effectively achieve goals and improve organisational excellence. This section is shedding light on Area 3 and Sub-question 3 of the research.
2.7 Challenges of HR Strategic Partnering

The Human Resource strategic partner is one of the significant partners in driving the organisational performance of recent times (Petrescu & Simmons, 2008). Managing businesses in the twentieth century relied heavily on employees’ innovation and their creativity in return for appropriate recognition; today, many practitioners and scholars view SHRM as a means of sustaining competitive advantage (Chang & Huang, 2005; Chandramouli, Gunathilake, & Senevirathne, 2010) resulting in a high expectation from SHRM in driving human resource strategy to support business strategy. In response to the need to remain competitive in this turbulent market environment, many firms are now struggling to establish a positive and dynamic organisational climate to retain valuable employees (Du Plessis, 2006; Patricia, 2007; Chew & Chan, 2008) through well-developed and well-designed HR strategies and practices. A critical role for HRM could be regarded as a challenge for HR strategic partners to sustain organisations’ competitive advantage (Grant, Butler, Orr, Murray, 2014). The challenge for HR partners is to adopt a more strategic HRM perspective in order to shape the thinking of management and empower line managers and even change their behaviour towards a more positive and co-operative relationship (Du Plessis, 2015).

Also, in times of organisational change and development, HR business partners are required to hold a more value-added role such as a change catalyst to drive change in the organisation (Holbeche, 2006). In this regard, anticipating the effects of internal and external changes becomes a challenge for HR strategic partners due to the reason that change process occurs in business environments that are themselves changing, resulting in unpredictable outcomes (Nelson, 2002). Managing change is proactive, intentional, and goal-oriented so in order to minimise the likelihood of failure, HR functions are required to be proactive and HR strategic partners, as change catalysts, must avoid passiveness aiming at creating new initiatives and innovations to assist organisations to cope with change and to protect employees from the impacts of change. Nel et al. (2008) are of the same opinion that the expertise of HR is crucial in organisational change by actively and proactively engaging with organisational development. HR strategic partners, thus, need to develop a set of skills and competencies that enable them to pinpoint and foresee possible issues that may occur (Macky, 2013; Ulrich & Brockbank, 2005).

In addition, addressing and managing poor performance is problematic in a young emergent business market such as Cambodia. Line managers have an active role to play in dealing with poor performance in collaboration with HR business partners; however, some line managers and the HR business partners themselves tend to avoid confronting employees regarding poor performance. According to
Du Plessis (2015), poor performance often leads to dysfunction when it is not managed properly and in a timely manner.

Another current challenge that has become more evident is the so-called “war for talent”. According to Knuckey (2014) as cited in Morton & Carteret (2014), staff poaching is a big and major issue for the banking sector in Cambodia making some banks become the training school for the industry. Globalisation and shortage of skilled workers are ongoing concerns at the moment (Nel, Nel, & Du Plessis, 2011). In 2013, Acleda Bank, Cambodia’s largest bank, spent more than USD 4 Million on employee training, with a figure that was expected to increase by 40% in 2014. On average, USD 1,000 was spent on additional training for each staff member (Morton & Carteret, 2014).

A lack of clarity about what HR BPs are and what they do creates a huge challenge to HR practitioners and the business as it brings scepticism about the benefits the systems and practices might bring. It is undeniable that some managers, if not consulted, may be sceptical about, and often resistant to, the concept of self-service and the importance of accountability in lifting up employee skills and performance management. Getting engaged could mean more work and more responsibilities to line managers and therefore, scepticism is a barrier (Lambert, 2009).

All information and literature considered, this section of literature elucidates Area 4 and Sub-question 4 of this study by elaborating the challenges that current HR professionals are facing with their partnering role.

2.8 HR Transformation and Future of Strategic HRM

HR transformation is the transforming of HR functions from a traditional administrative service to a more strategic one (Ulrich, 2014). HR transformation varies from one firm to another and there is no one universal description of it (Rothwell, Prescott, & Taylor, 2010). According to Rampat (2005) as cited in Phasathane (2014), the main drivers for HR transformation may incorporate making HR strategic improving services, adopting new technology, or responding to business change. There is a growing need for HR leaders’ competencies and skills to create more added values in response to the complexity of the business context (Ulrich et al, 2012). For the business to remain competitive in the current turbulent economic situation, HR business partners play an increasingly important role in transforming HRM from traditional administrative service to become strategic. Even though there is no consensus on one single form of transformation of HRM, it is crucial that HR transformation should take place in the firm through the increase of the HR strategic contribution to the business enhancing strategic HR effectiveness (Ulrich, 2014)
In regard to the implementation of HR transformation, Ulrich, Allen, Brockbank, Younger, & Nyman (2009) assert that “traditional HR begins by focusing on HR issues and redesigning HR governance or practices. HR transformation begins with an understanding of the context in which the business operates” (p. 26).

**Figure 2.7:** Traditional versus Transformation HR

Saks & Peters (2008) state that the changes that occurred fifty thousand years ago were less than the changes over the past fifty years and surprisingly, the next fifty years will see even more radical changes in the world we live in. This is due to the impact of technological advances and fast changing globalization. In this regard, the HR leaders of tomorrow will have to look in a significantly different way than HR leaders today (Saks & Peters 2008).

HR strategic partners have a crucial role to play in driving organisational performance through the many challenges and dilemmas associated with change and talent management. In order to ensure effective and successful outcomes, HR strategic partners need to develop strong partnerships with the business. The stakeholders involve senior managers, line managers and more importantly, the parties involved in talent management processes (Hennessy & McCartney, 2008), and employees, the individuals involved in and affected by changing management processes. It is expected that to generate a stronger organisational effectiveness, HR role has to entail a broader mandate of added values to the business and remain competitive through well-developed and designed HR strategies and practices (Rees & Smith, 2014).
Roberts & Hirsch (2005) are of the opinion that on top of the engaging in and support of business strategy, HR professionals will act on a new role that involves enabling capabilities and courageous leadership to foster a high performing organisation. This well-rounded capability enables HR strategic partners to offer insights and help leaders to pinpoint future business opportunities, which goes beyond the current strategic role of HR. Roberts & Hirsch (2005) add on to say that this new perspective of the HR role and capability will contribute to the nurturing of employee creative innovation, products and solutions which in turn will build exceptionally high customer satisfaction.

On top of that, in regard to business partnering, Ulrich & Beatty (2001, P. 154) stress the importance of moving beyond partners to be players, from driving to making the difference. HR professionals have a role to play in coaching, architecting, building, facilitating, leading, and providing a conscience to the business. Going extra miles beyond the traditional HR, which is no longer enough in this fast changing market environment (Ulrich & Beatty, 2001), HR must be able to think outside of HR scopes and expanding them to products and services with an ability to link to customer needs, how their products and services are sold, how financial elements of their firms are managed, and how the operational efficiency and integrity are ensured (Saks & Peters, 2008).

**Figure 2.8: Future HR Model**

![Future HR Model Diagram](source: Ulrich & Brockbank (2005))

Ulrich & Brockbank (2005) claim that HR professionals are uniquely well placed to help current leadership produce the next generation of leaders by establishing a leadership brand, assessing the gaps in the present leadership against this brand and investing in future leaders. In this regard, in demonstrating HR strategic partnership and leadership, HR strategic partners are in high demand to expand their leadership skills and competencies, including business acumen. Darwish & Singh (2013) conclude that the future of HR depends upon the extent to which the values are added to the organisation.
2.9 Chapter Summary

Strategic Human Resource Management (SHRM) has been acknowledged as one of the significant partners in driving the organisational performance. It is clearly depicted that HR function has evolved over the years and has been working towards a more proactive approach to remain competitive in the business environment. Strategic human resource business partners have a major role to play, including driving high performance, building capacity to change, and managing talents in order to drive organisation effectiveness.

On careful examination, with support of empirical evidence by previous scholars, the literature concludes that when Strategic Human Resource Management strategies and practices are aligned with the firm’s business strategies, Human Resource business partnering brings about positive impacts on the organisational performance.

The next chapter discusses the research methodology, the research paradigms, the methodology selection criterion, the data collection and data analysis method implemented of the study.
Chapter Three: Methodology

3.1. Introduction

In Chapter Two, the literature review revealed that a strategic partner is one of the significant partners and has positive impacts on organisational performance. Although there has been no consensus among scholars on the extent of the level of effectiveness of HR strategic partnerships, studies in most researches show that the organisational effectiveness depends on HR strategic partnerships and leadership and HR strategic partners have very crucial roles to play in the organisation.

Chapter Three gives an insight to the research paradigms as well as the methods used in other similar HR strategic partnering research. This chapter also illustrates the research methods employed, data collected, the sample selection, the questionnaire and the interview questions development process, the data analysis techniques, the ethical considerations and the discussion of the validity and reliability of the study.

This research relies largely on the philosophical perspective that shapes the approaches of the researchers. Also, the direction to this study is given by post-positivism, the research paradigm. According to Creswell (2009), this methodology concentrates on empirical observation and theory verification.

The researcher took into consideration the methods of research including quantitative, qualitative and mixed methods. However, after considering the strengths and limitations of each method, the researcher found the mixed methods to be the most appropriate method for this study.

The quantitative method, using an online survey, brought about cost and time effectiveness as the respondents can choose to get access to the questionnaires at any time and on any device convenient for them. Also, the cost of putting up a survey online was competitive compared to hard copies survey. However, due to limited choices in the questionnaires and the respondents’ inability to find the answers that best indicate their opinion, the in-depth interview (qualitative method) was also conducted in the study.

Together with the data collection process, data analysis was also discussed. The Statistical Package for the Social Sciences (SPSS) was used to analyse quantitative data and QSR NUD*IST Vivo (NVivo) was for qualitative data analysis. They both are well-known software used by a large number of researchers in social sciences. The last part of the chapter discusses the ethical considerations related to this study as well as its validity and reliability.
3.2. Methodology

3.2.1 Research Methodology

Research methodology, a systematic approach that describes how research is to be conducted, aims at giving a roadmap of the research by identifying methods to be implemented in the research study such as data collection techniques and means of data analysis (Creswell, 2009; Howell, 2013). According to Sarantakos (2005), a methodology is defined as a model for conducting research based on a particular context of a research paradigm, which incorporates the main sets of principles that encourages a researcher to decide which set of research methods is the most suitable for the intended study.

‘Research methodology’ and ‘research method’ are different. While a methodology is a map or a domain, a research method comprises the research steps moving from one place to another on the map. Therefore, one particular research method, for example an interview technique, can be employed within a number of different research methodologies (Jonker & Pennink, 2010). In addition, Wahyuni (2012) further explains that research methodology can refer to the ideological and theoretical basis of a research method; while a research method involves practices of conducting research. Therefore, a research design carries a crucial role in linking a methodology to a suitable practical application for carrying out a research.

3.2.2 Research paradigm

Research paradigm is a commonly used term in social sciences with a wide range of definitions given by a number of scholars. Guba (1990) as cited in Hussain & Sanders (2012), compares paradigm to “a set of beliefs that guide action”

The definition used in this research is adopted from Saunders, Lewis & Thornhill (2012, p.140) that describes research paradigm as “a way of examining social phenomena from which particular understandings of these phenomena can be gained and explanations attempted”. This definition can also be found in other research under the name of epistemologies and ontologies (Crotty, 1998 as cited in Creswell, 2009), broadly conceived research methodologies (Neuman, 2000 as cited in Creswell, 2009) or worldview (Creswell, 2009). It comprises ontology, epistemology and methodology (Houghton, Hunter & Meskell, 2012). According to Tracy (2013), a research paradigm has certain fundamental functions including the giving of the definitions of what the nature of reality and knowledge is all about and how the researcher gathers and analyses data.

Research paradigms involve primarily the fundamental beliefs about how the world works and how
reality is perceived, and subsequently give direction to the way researchers investigate the world (Jonker & Pennink, 2010). Neuman (2011) is of the opinion that having initial thought about research paradigms before carrying out a research study is needed because they will lead the way to which a researcher conducts a research and directly influences the research practices too. Without proper consideration of the research paradigms in the first place, researchers may end up adopting a research method that conflicts with their beliefs underpinning the research, resulting in invalid and biased results.

Basically, there are two main paradigms that support and strengthen the research: positivism, also known as rationalistic and empiricism and interpretivism, referred to naturalistic, constructivism, and phenomenology (Henderson, 2011). While positivists thinks that reality is objective and theory should be deductive, the interpretivists believe in the possibilities of emerging theory, and contextual processes that focus on meanings, and perspectivity (Henderson, 2011). Positivists adopt a quantitative approach and interpretivists deploy a qualitative approach (Saunders et al., 2012).

The two paradigms bring about criticisms resulting in the creation of the new paradigm such as post-positivism. Positivism and interpretivism can be considered as two extremities of a continuous line of paradigms (Collis & Hussey, 2013). Therefore, this research uses post-positivism which lies in the middle of the continuum of paradigms, and is shown in the Figure 5 below:

**Figure 3.1: Characteristics of the qualitative-quantitative research continuum**

![Qualitative-Quantitative Research Continuum](source.png)

Post-positivism focuses on determining the causes that affect the outcomes. It also aims to test and verify theories in order that the researchers may have a better understanding of the world, according to Creswell (2009). Post-positivism is a research paradigm that frees researchers from the dilemma evolving from “our awareness of the historicity of our thought and the historicity of our values” as there can be either cognitive or moral blindness if they overlook any of the factors. Post-positivism also connects objectivity with value-freedom (Hamati-Ataya, 2012, p. 303). Henderson (2011) claims that the introduction of post-positivism does not necessarily imply that either positivism or interpretivism is no longer valid; in turn, the new paradigm is worth taking into consideration (Henderson, 2011).

3.3. Methodology Selection Criterion

The researcher evaluated a number of alternative approaches to inquiry (Creswell, 2009) or research methodologies (Mertens, 1998 as cited in Creswell, 2009) such as qualitative, quantitative or mixed methods designs. Each has its own purposes and carries advantages and shortcomings. In this regard, coming up with the choice of the most suitable research strategy is mainly based on the research problems and research purposes (Ghauri & Grønhaug, 2005).

3.3.1 Evaluation of the relevance of a quantitative approach

Quantitative approach, defined by Curwin & Slater (2008), is the use of numerical data collection in defining, describing, and solving a variety of problems by employing mathematically based method analysis. That is, the numbers must be in association with the research context. Quantitative research is concerned with nature of relationship among variables, the main concept of quantitative approach, which might be correlated, unrelated, or having effect on one another (VanderStroep and Johnson, 2010). Data is numerically presented or converted and the conversion is done through counting, scaling, or both by a technical tool called measurement (Punch, 2005). “Quantitative methods allow social researchers to systematically quantify the world we live in” (Donley, 2012, p.17). The data collection methods often include experiments and surveys (Donley, 2012).

Quantitative methods have been used in different fields including psychology, economics, sociology and criminology (Dantzker & Hunter, 2000). Business leaders also use a quantitative approach to make strategic decisions. For instance, a research conducted by Hewlett-Packard employed quantitative techniques in order to determine the capacity forecasts and choices of locations of stock. Wisniewski (2009) indicates that quantitative methods can be said to make businesses succeed or fail.

Quantitative researchers, by nature, hold the belief of empiricist paradigm or positivism paradigm.
(Saunders et al., 2009); thus, they seek to be independent of the research phenomena. As a result, data is usually collected through surveys, which allows obtaining data from a large number of participants (Venkatesh, Brown, & Bala, 2013). Creswell (2009) further states that quantitative researchers “employ strategies of inquiry such as experiments and surveys, and collect data on predetermined instruments that yield statistical data” (p. 18). The quantitative data is measured objectively in order to provide validity and reliability to the findings. “Quantitative research is typically considered to be the most scientific approach to doing social science. The attention is drawn to the usage of specific definitions and thoroughly operationalizing what particular concepts and variables mean”, suggested by Tewksbury (2009, P. 39).

The purpose of the study is to investigate the effects of HR strategic partnership with the business on the organisational performance and the extent of the effectiveness; meanwhile, quantitative data provides results in forms of numerical values (Collis & Hussey, 2013). Quantitative approach is suitable in this research due to three main reasons.

HR Partnering involves participation from a number of managers and heads of departments from various backgrounds and different work styles; therefore, there is a need for large sample sizes to conduct the research (Cooper & Schindler, 2014). Secondly, according to Punch (2005), this approach enables the researcher to collect a wide range of data through surveys on a number of variables, including their understanding of HR partnering, expectations from HR BPs, involvements in implementing and improving HR partnering, the comments and suggestions regarding the HR department and the management, and so on. Next, using quantitative approach in this research allows an identification of evidence regarding relationship of effectiveness, efficiency, and challenges of HR partnering, which reflects the objectives of the research itself (Collis & Hussey, 2013),

However, quantitative methods have some drawbacks. According to Collis & Hussey (2013), the limitations of quantitative approach derive from either the researchers or the respondents. Due to limited answer choices in a question incorporated in the questionnaires, the researchers may miss the true nature of phenomena. Meanwhile, the respondents might not be able to find the best answers that perfectly represent their opinions. As per the respondents, they might fail to follow the instructions set in the questionnaires, return incomplete answers, or provide answers that do not depict their genuine opinions due to their personal mood or time constraints (Collis & Hussey, 2013). More importantly, when it comes to data interpretation, if not handled properly, statistical errors might be at risks (Punch, 2005).
3.3.2 Evaluation of the relevance of a qualitative approach

A Qualitative approach is a quality-based method that focuses mainly on differences in quality and relies heavily on participants’ experiences in verbal descriptions (Curwin & Slater, 2008). Qualitative research method uses more words than numbers when it comes to collecting and analysing data due to the fact that a qualitative method is underlined with the belief that reality is socially constructed; therefore, the practices aim at discovering the participants’ viewpoint regarding the intended study (Flick, 2008).

Qualitative research, basically, is inductive whereby the research is carried out from specific to general context and examines the data and generates the theory based on outcomes of the findings. Qualitative research premises are built using inductive logic than the deductive one, as researchers deploying a qualitative method attempt to explain the observational elements that pose research questions (Williams, 2007). “Since the qualitative research process is inductive, researchers tend to collect data in order to build concepts, hypotheses, and theories instead of testing hypotheses as in positivist research” (Merriam, 2009, P. 15).

In addition, fewer participants are required for a qualitative approach; however, the data collected is more actual, based on experiences in various contexts through actual feelings, emotions, and behaviours rather than dry facts. The qualitative method often includes in-depth interviews, focus groups, observation and document review (Curry, Nembhard & Bradley, 2009). In essence, qualitative researchers are linked with an approach that they are interested in understanding phenomena via an interpretation of their natures and the meanings brought by people (Merriam, 2009).

Also, according to Myers (2009), without involving a lot of numbers as experiment materials, in qualitative research, the analysis is more in-depth because the truth of the studied issues is articulated by the opinions of the participants engaged in the study. This in-depth understanding of the issues, in the opinion of Tracy (2012), enables researchers to make second-order interpretations as they can elaborate further the particular situations derived from the explanations of the subjects. Tracy (2012) adds on to say that by using qualitative method, researchers could gain deeper insights into cultural practices of the investigated phenomena which could not be provided by the structured experiments or surveys under a quantitative method.

Like the quantitative method, qualitative methods have been used in many social fields such as environmental awareness, poverty, domestic violence, drug abuses, and crimes (Donley, 2012). While the quantitative approach tends to put emphasis on answering the questions of “who, what, how many
and how often”, qualitative methods focus on interpreting reasons and motivations for perceptions, beliefs and behaviours of people (Donley, 2012). Bryman (2012) noted three particular features of a qualitative research: (1) an inductive view of the relationship between theory and research, (2) a stress of the qualitative method on understanding the social world through an examination of the interpretation of that world by its participants and (3) the implication that the social properties are outcomes of the interactions between individuals. The Qualitative research approach is appealing as it requires a detailed description of human behaviour, personality characteristics, feelings, and emotions (Cooper & Schindler, 2014). As far as the researcher is concerned, the qualitative method is suitable for this study due to three main reasons:

Firstly, considering the complex nature of the study on the effects of HR partnerships with the business on organisational performance, it is straightforward to deploy this interview technique. Despite the limited answer choices from the questionnaires, the in-depth interviews not only enable the researcher to elicit relevant information from the participants but also provides the researcher with the opportunities to clarify and explain further the questions of the research during the interview dialogues.

Secondly, since the research is intended to determine the effectiveness and challenges of HR partnering and the set of skills and competencies that HR business partners should possess the, qualitative research method is best applicable for this context. Tracy (2012) explains that qualitative research allows researchers to understand the cultural practices of people; in this regard, the researcher can get to be part in the situation, allowing them to observe, investigate, and gain deeper insight into the challenges that the HR business partners are facing in performing their strategic HR role.

Thirdly, in congruence with the suggestion of Williams (2007) that in the research that takes an inductive approach, qualitative methods are necessary. Since there has not been previous research on this topic in the Cambodian banking sector, the findings of this research will help to extend the understanding about the topic and provide suggestions on how HR business partners could effectively drive organisational excellence.

Qualitative research methods also have some drawbacks. A Qualitative research method is criticised for being “too impressionistic and subjective” and is too dependent on the researcher’s viewpoints about what is considered to be important, and the relationship between the researcher and the people studied (Bryman, 2012, P.145). This approach could only uncover the particular genres of thoughts and participants’ perspectives concerning the single culture of these people. In the opinion of Wahyuni (2012), it simply means that the findings of the study cannot be generalised across social groups as the genres of experiences can differ from culture to culture. More importantly, the practices of qualitative
methods could produce misleading outcomes owing to the fact that sometimes people may get the wrong impression of themselves and the world they are in caused by social or psychological pressure (Wahyuni, 2012).

3.3.3 Evaluation of the relevance of mixed methods

Quantitative methods usually result in findings with a high degree of validity; qualitative methods generally produce results with a high level of reliability. In addition to the numerical data constructed by quantitative approach, qualitative methods will enlarge the richness and the depth of the numerical data (Collis & Hussey, 2013). Thus, the use of the mixed methods will help to ensure both validity and reliability of this research.

Creswell (2009, p. 14) also supports the use of both methods with a claim that “the quantitative and qualitative data can be merged into one large database, or the results used side by side to reinforce each other”. With similar viewpoint, Bryman (2012, p. 649) concludes that the employment of both methods may give us a better insight into a phenomenon than the employment of a single one.

3.3.4 Method of Data Collection

3.3.4.1 Pilot Study

Prior to the data collection, a pilot study was carried out. A pilot study, according to Bhattacherjee (2012), is considered to be a very crucial part of the research process because it assists the researchers to identify beforehand any potential problems associated with the research design. In addition, a pilot test is executed to ensure the reliability and validity of instruments to measure the studied phenomenon. Basically, pilot testing requires only a small subset of the target population before the actual study commences (Bhattacherjee, 2012). For this research study, the questionnaire and interview questions were sent to five line managers to test the adequacy of the survey and one HR strategic partner was interviewed in order to collect constructive feedback as to whether the questions being asked were comprehensible.

As a consequence, some changes were made after the pilot test. The changes encompassed simplifying questions, removing jargon, correcting grammar, and re-arranging the flow of questions to enhance the quality of the conversation.
3.3.4.2 Data collection

Creswell (2009, p.15) summarizes the possibilities of data collection in a table below:

**Table 3.1: Quantitative, mixed, and qualitative methods**

<table>
<thead>
<tr>
<th>Quantitative Methods</th>
<th>Mixed Methods</th>
<th>Qualitative Methods</th>
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<tbody>
<tr>
<td>Pre-determined</td>
<td>Both pre-determined and emerging methods</td>
<td>Emerging methods</td>
</tr>
<tr>
<td>Instrument based</td>
<td>Both open- and closed-ended questions</td>
<td>Open-ended questions</td>
</tr>
<tr>
<td>questions</td>
<td>Multiple forms of data drawing on all possibilities</td>
<td>Interview data, observation data, document data, and audio-visual data</td>
</tr>
<tr>
<td>Performance data,</td>
<td>Statistical and text analysis</td>
<td>Text and image analysis</td>
</tr>
<tr>
<td>attitude data,</td>
<td>Across databases interpretation</td>
<td>Themes, patterns interpretation</td>
</tr>
<tr>
<td>observational data,</td>
<td></td>
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<tr>
<td>and census data</td>
<td></td>
<td></td>
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<tr>
<td>Statistical analysis</td>
<td></td>
<td></td>
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<tr>
<td>Statistical</td>
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<tr>
<td>interpretation</td>
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Source: Creswell (2009, p.15)

Data collection in interpretative research can incorporate a number of approaches; however, Ryan et al. (2007) stress the importance of providing justification for selection of a certain data collection method together with sufficient information of the entire data collection process. While questionnaires are common for quantitative data, the most frequent technique for qualitative data is interview - either semi-structured or unstructured (Holloway & Wheeler, 2002).

The collection of data for this research was done in two different forms: self-administered questionnaires and in-depth interviews at four commercial banks in Cambodia, namely, Bank A, Bank B, Bank C, and Bank D. As asserted by Boeije (2010), as per the intended study, the research participants should involve professionals in the field in conjunction with the observed research phenomena so as to pass on their knowledge to the researcher. In this regard, the respondents for survey questionnaires were managers and line managers, randomly selected from a list of managers. The participants for interviews were the HR Strategic Partners in the four banks.

Since the qualitative data needs to be examined within context and requires a collection of background information (Collis & Hussey, 2013), the in-depth interviews were carried out after the questionnaires were completed. By the time the responses were collected, the researcher would have had background information, making it easier to make sense of qualitative data. A hundred questionnaires were collected and ten in-depth interviews were conducted.
All the questionnaires and interviews were done in English as the managers and HR managers are English literate who meet the English proficiency requirement when applying for a job.

### 3.3.4.3 Questionnaires

Self-administered online survey was chosen as the means of collecting questionnaire responses because it offers more advantages than the traditional survey does. According to Sreejesh, Mohapatra & Anusree (2013), the benefits include faster feedback, more cost-effectiveness, and higher confidentiality. It could also reach a large number of respondents more quickly and the respondents could respond to the questionnaires at their convenience from any device including computers, personal computers, tablets, and smart phones. The questionnaire was uploaded onto [www.surveymonkey.com](http://www.surveymonkey.com) and the web-based link of the questionnaire was sent to the line managers of Bank A, B, C, and D through email. The online questionnaire was activated for a certain period of time for the participants to respond.

The questionnaires incorporated checklist and rating scale. The checklist data were applied to respondents’ demographic characteristics; while scale data were used to assess a continuum of respondents’ behaviours and attitudes. In the questionnaire itself, respondents were given clear instructions on how to mark their responses. The questionnaire for this research can be found in Appendix 1. Respondents answered the questionnaires individually and anonymously.

### 3.3.4.4 Interviews

In-depth interviews were also conducted as part of the data collection. The emphasised reason of Saunders et al. (2009) for using semi-structured interviews for data collection is that the hybrid feature of this interview method is suitable for this research phenomenon. Semi-structured interviews combine characteristics of a structured interview and those of in-depth interviews that offer a predetermined list of questions which serves as an interview guide for the researcher and in the mean time provides room for the interviewees to talk freely about their interest during the interview.

Each interview was between thirty to forty minutes in form of face-to-face, semi-structured, and on a one-to-one basis between the researcher and a participant. This approach freed the interviewees from feeling under pressure and enabled them to freely express their attitudes, emotions, feelings, and concerns about the topic. In the interviews, the order of questions depended on the flow of the conversation and the dialogues were auto-recorded and transcribed for further use provided that the approval of participant and organisation consent had been obtained (Saunders, Lewis, & Thornhill,
A list of interview questions can be found in Appendix 2.

3.4. Data analysis

Wahyuni (2012) defines data analysis as a process of portraying the inferences drawn from the raw data. The decision to use computer programs to analyse the collected data was influenced by Creswell (2013, p. 209) who points out the criteria to choose the program including “the ease of using the program, the type of data it accepted, its capability to read and review texts, its provision of memo-writing functions, its processes of categorization, and its analysis features”

Statistical Package for the Social Sciences (SPSS), one of the most widely known and used software packages for quantitative data analysis was used to analyse the collected quantitative data due to its numerous advantages to data analysis and, in order to test hypotheses, the researcher employed exploratory and confirmatory data analysis (Collis & Hussey, 2013). Both data analyses carry distinct forms of technique that were used in different types of data. For example, exploratory data analysis techniques were used to present frequencies and measure location, dispersion, and change; whereas, those of confirmatory data analysis were adopted to estimate samples and measure association, difference, and forecasting (Collis & Hussey, 2013). Quantitative data were also produced into tables and diagrams for the purpose of data exploration and significance testing.

As per qualitative data, according to Boeije (2010), the analysis technique that is normally incorporated is a process of dismantling, sectioning, and reassembling information in order to develop the significant findings. Inspired by Given (2008), this research adopted qualitative content analysis, normally known as the thematic analysis method conducted by categorising themes and patterns of textual data in order to ascertain meanings out of it. As for thematic analysis, in determining the data features coding, the process of labelling the significant aspects of contents drawn from the data, is an invaluable technique (Wahyuni, 2012). Moreover, as far as the confidentiality and anonymity of the participants is concerned, coding is used to replace the original name of participants and the firms being studied. For instance, IA-IJ and Bank A, B, C, D are the codes that represent the ten interviewees and the four participating banks, respectively. Therefore, this study deployed a coding technique, which is considered a central part of the thematic analysis.

Suggested by Groenewald (2008), this research employed a memoing technique, one of the best analysis tools, with the intention to increase credibility and trustworthiness of qualitative research. Memoing simply is the practice of taking notes incorporating meanings of the data, hypotheses concerning a category, and the relationships between each theme of the data in order to help
researchers to conceptualize the data.

Despite obeying no rigid rules in doing qualitative analysis, the researcher still had to take into account the outcomes of the research, making sure that it provides a well-developed outline of what was done and why. Therefore, this research used a step-by-step guide proposed by Braun and Clarke (2006). The five steps involve transcribing data, generating initial codes, developing themes, reviewing themes, and writing a report.

- Step one: The recorded semi-structured interviews were transcribed into written English. Even though being viewed as time-consuming and boring, data transcribing is the key process of data analysis because by listening to the same recording and re-reading the data, the researcher can become more familiar with the collected data (Braun and Clarke, 2006).

- Step two: Once the interview transcription is made, the researcher is ready to start coding. In this study, the researcher had to produce initial codes for significant features of the data systematically by collating the data that are relevant to each other.

- Step three: This step involved collating codes into themes by recognising the relationships between the coded data and searching for themes with the help of visual representations such as highlighters and post-it notes. The categorised codes are then put into a table to create clear distinct themes that represent the whole set of data.

- Step four: After the themes were developed, the researcher had to review all the themes to check if they were correctly representing the extracts. The revision included an assessment of the coded data extracts making sure that they produced a logical pattern and the coded data were not put into the wrong categories. The review process also involved removing the themes that did not have sufficient data extracts to support them. Names were therefore given to each theme based on the aspect the data in each theme captured.

- Step five: Lastly, the researcher started writing the scholarly report of the findings. The analytic narrative was presented with a discussion of compelling extracts and examples that illustrate the data story to back up the researcher’s argument relating to the research questions.

The findings were also used to test hypotheses helping the researcher to develop alternative explanations if the negative case occurred and compare the results of the study with other researches’ findings to see if they match or contradict. After that the researcher could draw conclusions and develop explanatory theory (Saunders, Lewis, & Thornhill, 2012).
3.5. Validity and reliability of the research

Ensuring the validity and reliability is one of the most significant aspects of any research; every researcher has to establish validity and reliability regardless of which methodology the researcher has used. Quantitative research relies on past researches and external standards like statistics to achieve validity; qualitative research gains it by using a number of methods to ensure accuracy of the final findings. Owing to this, the research used triangulating data sources, referred to the use of multiple sources of data with different research methods, to study the same phenomenon (Collis & Hussey, 2009). Triangulation is claimed to lessen bias in data sources, methods and investigators and produce results with greater validity and reliability than a single method (Denzin, 1978 as cited in Collis & Hussey, 2013).

When conducting this research, the researcher thoroughly determined potential threats to validity associated with both quantitative and qualitative components. As per quantitative approach, the interaction of selection and treatment - the threat to external validity was avoided by collecting data from different banks and the instrumentation - threat to internal validity was eliminated by using the same instrument, which is the online questionnaire in both pilot test and the actual survey (Creswell, 2009).

Interviews were conducted and recorded with a high quality tape recorder. In addition, the fact that the researcher comes from the same cultural background as the respondents adds values to the clarification of any bias that may have been brought to the study. Most importantly, the research has been in a good hand of another expert – the researcher’s supervisor for the entire period of research ensuring the diminishing of research data biases and subjective judgments, and the adding of more validity to the research (Creswell, 2009).

3.6. Ethical considerations

Beauchamp & Childress (1989) as cited in Aluwihare-Samaranayake (2012) defines ethics as the act of doing good deeds and the avoidance of making harm to others. Ethical issues of a research concern assessing the researcher’s compliance with principles of confidentiality, justice, respect, autonomy, and beneficence when conducting a research study. Therefore, according to Mauthner, Birch, Jessop, & Miller (2002), before the commencement of the research, it is required that the researcher obtains an approval from the tertiary institute’s Research Ethics Boards. This research was approved by the Unitec Research Ethics Committee (UREC) with a one year duration from June 2014 to June 2015 and the allotted Research Ethics Committee Approval Number is 2014-1048. The ethical issues were
thoroughly taken into consideration with a strong emphasis in the areas of, not limited to, respecting people, confidentiality, and justice throughout the research.

Initially, a letter introducing the overview and the purpose of the research was sent to the Head of Human Resources of each respective bank, Bank A, B, C, and D, to get an approval to conduct questionnaires and interviews at their firms. The official approval was obtained through Consent Forms, signed by the Head of Human Resources and the interview participants from each bank. Even though the participants gave their consent, the researcher respected their rights and decisions to take part in the research. They could choose to participate or withdraw from the research at their will. More importantly, the researcher exercised pro-activeness and respect for participants by making sure that they were all aware and understood the objectives of the research and the processes involved. Suggested by Williamson (2007), informing participants about what the research is all about and its purpose, they will be fully aware to make a well-informed decision about their consent to participate in the intended study. The online questionnaire was sent to the respondents via www.surveymonkey.com with a brief introduction about the research and the researcher.

This research was conducted professionally and took confidentiality seriously throughout the entire data collection process by protecting participants’ rights and privacy. Pseudonyms are used and the real names of the banks are not used to maintain their anonymity; respondents were made aware that the collected data was to be kept confidential. Also, in order to ensure the anonymity of the responses, no personal information about the respondents was saved. All responses to online questionnaires were kept in a file, password protected; and the tape recorder and its information are stored in a safe place and locked in the cupboard at the researcher’s premises. Then, the researcher conducted the interviews with the HR strategic partners to get a deeper understanding about the concerned topic. The interviews were recorded for the transcribing purpose, with prior consent from the participants. Only the researcher and her supervisors have access to the collected data. This approach was taken to ensure the protection of the participating organisations’ sensitive information from being publicly disclosed.

Another main ethical issue that this research took into consideration was the contribution of justice. This research was conducted fairly and lawfully by collecting truthful data, storing and not disclosing them. In addition, the data collection was merely for the purpose of carrying out the research and there was no involvement of financial incentive or emotional stress in any form.
3.7. Chapter summary

This research was conducted in Cambodia at four commercial banks that best fitted the nature of the topic of the research.

This chapter depicts the methodology carried out in this research. The mixed methods of quantitative and qualitative methods were employed to make sure that the research objectives were met. The mixed methods involved online questionnaires and in-depth interviews conducted in sequence. The data collection process commenced after Ethical approval for the research was obtained through formal Consent Forms from the Heads of Human Resources of the four participating banks and the participants.

The pilot survey was sent to five managers and one HR strategic partner (who were not participants in the study) to ensure that the questionnaire was error-free and easy to understand. The collection of data involved participation of the four banks, from eighty managers and line managers through online surveys and 10 HR strategic partners, interviews.

The next chapter analyses all the data obtained from the surveys and interviews and discusses the findings of the results.
Chapter Four: Data Analysis

4.1. Introduction

Chapter Three discussed the research paradigms, methods of collecting and analysing data, and the validity and reliability of the study. This chapter illustrates the findings obtained from both the online surveys and the interviews.

The survey and interviews were conducted with the purpose of complementing each other and contributing to obtaining the objectives of the study and answering the research question. The findings of the surveys and interviews carry overlapping themes and are therefore discussed in the same structure incongruence with the themes of the literature review.

The findings are broken down into two sections. The first section deals with the online survey. Demographic data including gender, age group, level of education, range of income, work position, number of years of experiences, and size of the organisation provide an overall picture of the participants’ background. In addition, the perceptions of the respondents on current HR partnerships with the business in the Cambodian banking sector, the extent of the effectiveness of current strategic partnerships, and HR partnering skills required from HR Business Partners in order to effectively drive organisational performance are also discussed in this section. The collected data are presented in tables and graphs.

The findings from the interviews give an in-depth analysis from the interviewees on the same themes together with the challenges that HR Business Partners are facing and how they overcome those challenges.

4.2. Responses to questionnaires

The designed questionnaire comprises of 15 main questions together with a series of sub-questions. There were a total of 100 participants from four participating banks that responded to the questionnaire. The responses were collected through an online survey and were analysed by using SPSS.

4.2.1 Demographics data

Demographic data were collected in order to determine participants’ background information such as gender, age group, level of education, range of income, work position, number of years of experiences, and size of organisation. The outstanding characteristics of demographic data are illustrated in figures, tables, and graphs below:
• Gender

Female respondents represented 46% of the study, which is slightly below the number of male respondents. This almost equal number gives a fair opinion of men and women towards the intended study on the effects of HR partnering with the business on organisational performance.

**Figure 4.1**: Respondents’ Gender

- **Age Group**

The majority were between 30 to 39 years old, which accounted for about 60% of the respondents. The second largest group in terms of age were between 24 to 29 years old. It is critical to collect information about age because people in different stages of life may have encountered different experiences and therefore may have different opinions. For instance, according to the Ministry of Social Development (2010), among those working full-time in New Zealand, people in the age group of 65 years old and above were most satisfied with their work-life balance while those employees whose age is between 35 to 44 years old are the least satisfied. In Cambodia, the age group of 24-29 years old represents the majority of bank staff (HR Inc, 2014).
**Figure 4.2: Respondents’ Age Group**

- **Education**

  The respondents holding a Bachelor Degree represent half (51%) of the respondents, followed by 43%, the percentage representing those with a Master Degree. Only two people had a PhD.

- **Income**

  More than half of the respondents earned (65%) more than USD 1,000 per month. This USD 1000 indicates the average pay of junior managers in the banking sector in Cambodia (HR Inc, 2014). Also, 37% earned between USD 1,000 to USD 1,999, followed by 17% of earning between USD 2,000 to USD 2,999. Only one person in the entire study earned more than USD 5,000.

- **Job Position**

  **Figure 4.3: Respondents’ Job Position**

- Entry Level 2.0 %
- Supervisory Position (Team Leader) 24.0 %
- Line Manager 29.0 %
- Manager 42.0 %
- Top Management 2.0 %
Of all 100 respondents in their supervisory and managerial positions from the four banks, 24 were supervisors, 42 were managers, and 29 were line managers. Respondents who were the top management were in the minority.

- Work Experience in Banking Sector

Those who had 7 to 9 years experience in the banking sector represented the largest group of respondents in the survey (28%), followed by respondents with 1 to 3 years and 4 to 6 years, (22%) and (21%) respectively. About a quarter of the respondents had more than 1 decade of experience working in banking sector. These figures showed no surprise at all as the respondents were experienced personnel who were in either their supervisory or managerial positions. The respondents’ length of service denotes their experience working with HR Business Partner/ HR Department and therefore contributes to the intended study on the effectiveness of the current HR partnering practices in the Cambodian banking sector.

Table 4.1: Respondents’ Work Experience in Banking Sector

<table>
<thead>
<tr>
<th>Work Experience in Banking Sector (in years)</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than a year</td>
<td>4</td>
<td>4.1</td>
</tr>
<tr>
<td>1- 3 years</td>
<td>22</td>
<td>22.4</td>
</tr>
<tr>
<td>4- 6 years</td>
<td>21</td>
<td>21.4</td>
</tr>
<tr>
<td>7- 9 years</td>
<td>28</td>
<td>28.6</td>
</tr>
<tr>
<td>10- 12 years</td>
<td>12</td>
<td>12.2</td>
</tr>
<tr>
<td>More than 12 years</td>
<td>11</td>
<td>11.2</td>
</tr>
</tbody>
</table>

4.2.2 The effects of HR strategic partnering

In order to determine the effects of HR partnerships with the business on organisational performance in the banking sector in Cambodia, managers in the bank were asked to indicate their level of agreement/disagreement with ten statements of the effect of HR strategic partnerships. The findings are presented in Table 4.2 and Figure 4.4 below:
### Table 4.2: Respondents’ level of agreement towards the effects of HR partnering

<table>
<thead>
<tr>
<th>The HR strategic partnerships contribute to:</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>the improvement of high performance cultures</td>
<td>9.28%</td>
<td>55.67%</td>
<td>28.86%</td>
<td>6.19%</td>
<td>0.00%</td>
</tr>
<tr>
<td>the nurturing of employees' capability</td>
<td>2.06%</td>
<td>63.92%</td>
<td>30.93%</td>
<td>3.09%</td>
<td>0.00%</td>
</tr>
<tr>
<td>the nurturing of employees' affective commitment</td>
<td>2.06%</td>
<td>54.64%</td>
<td>32.99%</td>
<td>10.31%</td>
<td>0.00%</td>
</tr>
<tr>
<td>the establishment of talent management framework</td>
<td>5.15%</td>
<td>62.89%</td>
<td>28.87%</td>
<td>2.06%</td>
<td>1.03%</td>
</tr>
<tr>
<td>the creation of a competent workforce</td>
<td>5.15%</td>
<td>56.70%</td>
<td>29.90%</td>
<td>8.25%</td>
<td>0.00%</td>
</tr>
<tr>
<td>a decrease in employee turnover rate/turnover intentions</td>
<td>4.12%</td>
<td>31.96%</td>
<td>47.42%</td>
<td>12.37%</td>
<td>4.12%</td>
</tr>
<tr>
<td>effective organisational change management and development</td>
<td>4.12%</td>
<td>61.86%</td>
<td>26.80%</td>
<td>6.19%</td>
<td>1.03%</td>
</tr>
<tr>
<td>an increase in productivity</td>
<td>5.22%</td>
<td>68.33%</td>
<td>20.90%</td>
<td>3.36%</td>
<td>2.19%</td>
</tr>
<tr>
<td>organisational effectiveness</td>
<td>2.06%</td>
<td>56.70%</td>
<td>34.02%</td>
<td>5.15%</td>
<td>2.06%</td>
</tr>
<tr>
<td>positive impacts on organisational performance</td>
<td>2.06%</td>
<td>64.95%</td>
<td>27.84%</td>
<td>3.09%</td>
<td>2.06%</td>
</tr>
</tbody>
</table>
The results indicate that more than half of the respondents (55.67%) believed that HR strategic partnerships drive and improve high performance cultures. Also, a majority of the four surveyed banks, had faith in HR Business Partners in nurturing employees’ capability. Only a few felt the opposite.

Meanwhile, one out of ten respondents held a view that HR Business Partners did not add value to the nurturing of employees’ affective commitment. However, those who trusted in the goodwill of the HR strategic partnerships are five times more than those who did not.

Nearly 65% of the respondents observed that with effective strategic supports and partnerships from HR Department and HR Business Partners, talent management framework was established and ready in place to reward high potential employees.

Even though 8% of managers at the surveyed banks disagreed that partnerships from HR Business Partners lead to the creation of a competent workforce, seven of those managers believed that HR Department and HR Business Partners played a crucial partnership role in building a competent workforce in their organisations.

At least 32 out the 100 respondents felt positive about the values HR Business Partners and HR Department added onto employee turnover rate and turnover intentions. Surprisingly, nearly half of the participants (47.42%) felt unsure about this; whereas only 12 of them disagreed with the added values.

Of all the surveyed managers, 61.86% believed in the positive impacts that HR Departments and HR Business Partners bring to effective organisational change and development. Only one tenth did not.

Very few participants disagreed about the fact that HR partnerships with the business contribute to the increase in employee productivity. Needless to say, almost 70% of the surveyed bank managers experienced positively about the contribution.
Last but not least, in respondents’ organisations, 65% of them believed that HR strategic partnerships with the business have positive impacts on organisational performance.

All in all, the 10 statements about the effects of HR strategic partnerships provide the answer to the first sub-question raised in Chapter One and are in favour of H1; the hypothesis that HR strategic partnering brings positive impacts on organisational performance. These findings are also in line with the conclusions of other studies on HR strategic partnerships with the business in other contexts (Chees, 2008; Mendes & Stander, 2011; & Long & Ismail, 2012), and offer further detail to the sub-question.

### 4.2.3 The extent of the effectiveness of the current HR practices

Questions 10, 11(a), and 11(b) in the survey were intended to answer the first and second sub-questions on what the current HR partnering practices are, whether they are effective and how effective they are in obtaining organisational goals. To answer these questions, respondents were asked to indicate their level of agreement/disagreement with statements on current HR strategic partnering practices in their organisations. They were also asked to rate the extent of the HR effectiveness by using a Likert scale ranging from 1 (To a Very Great Extent) to 5 (To No Extent). The findings of these questions are summarised in the Table 4.3, Table 4.4 and Figure 4.5 below:
### Table 4.3: Respondents’ level of agreement towards current HR practices

<table>
<thead>
<tr>
<th></th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The focus of HR is on partnerships with internal customers</td>
<td>11.11%</td>
<td>58.59%</td>
<td>20.20%</td>
<td>10.10%</td>
<td>0.00%</td>
</tr>
<tr>
<td>HR strategy is aligned with corporate strategy</td>
<td>13.13%</td>
<td>60.61%</td>
<td>21.21%</td>
<td>5.05%</td>
<td>0.00%</td>
</tr>
<tr>
<td>HR is an important partner in the formulation and implementation of our business strategy</td>
<td>21.21%</td>
<td>56.57%</td>
<td>16.16%</td>
<td>6.06%</td>
<td>0.00%</td>
</tr>
<tr>
<td>The HR strategic partner/HR department has an influence on my department's decision making</td>
<td>2.04%</td>
<td>42.86%</td>
<td>32.65%</td>
<td>20.41%</td>
<td>2.04%</td>
</tr>
<tr>
<td>The HR Strategic partner/ HR Department is timely, proactive, and flexible</td>
<td>1.02%</td>
<td>45.92%</td>
<td>30.61%</td>
<td>19.39%</td>
<td>3.06%</td>
</tr>
<tr>
<td>The HR strategic partner/HR department is fully equipped with the skills needed to work in partnership with the business</td>
<td>3.06%</td>
<td>47.96%</td>
<td>35.71%</td>
<td>11.22%</td>
<td>2.04%</td>
</tr>
<tr>
<td>The HR strategic partner/HR department understands the needs of the business</td>
<td>3.13%</td>
<td>54.17%</td>
<td>31.25%</td>
<td>10.42%</td>
<td>1.04%</td>
</tr>
<tr>
<td>The HR strategic partner/HR department understands employee competencies</td>
<td>8.25%</td>
<td>54.64%</td>
<td>27.84%</td>
<td>7.22%</td>
<td>2.06%</td>
</tr>
<tr>
<td>The HR strategic partner/HR department addresses employee skill gaps</td>
<td>3.09%</td>
<td>49.48%</td>
<td>30.93%</td>
<td>14.43%</td>
<td>2.06%</td>
</tr>
<tr>
<td>The HR strategic partner/HR department is involved in performance management processes</td>
<td>9.18%</td>
<td>73.47%</td>
<td>15.31%</td>
<td>2.04%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>

A total of 10% of the respondents did not see that the current HRM focuses on partnerships with internal customers. However, more than half of the surveyed managers noticed the strategic
partnerships between HR Department and the stakeholders.

Also, 60% of them believed that current HR strategy is aligned with and supports corporate strategy and that HR was an important strategic partner in the formulation and implementation of business strategy.

Concerning current HR practices in the four participating banks in the survey, 20% pointed out that HR did not influence their departments’ decision making. However, double this number (42.86%) argued that HR Business Partner did not make the decision for them but empowered them and had an influence on their decision.

One fifth of the respondents complained that current HR Business Partners were not timely, proactive, and flexible. On the contrary, almost half of the respondents appreciated the timeliness, pro-activeness, and flexibility of their HR Business Partners.

Regarding necessary HR partnering skills, of the four studied banks, only almost half believed that their current Business Partners had the right and necessary skills needed to work in strategic partnerships with the business; whilst about 35% were not sure.

Pointed out by more than half of the respondents, the Business Partners were believed to have understood the needs of the business regarding people agendas. Only a minority argued over this part (10.42%).

Noticeably, quite a considerable percentage of participants were unsure whether or not their HR Business Partners and HR Departments had understood employee competencies (27.84%) and addressed employee skill gaps (30.90%); however, half of the participants still had faith in their HR strategic partners and departments in identifying employee competencies and addressing skill gaps.

Respondents, in a 1 to 10 ratio, believed strongly that their HR Business Partners/Department was involved in the performance management process. As well, more than 70% of all agreed to the fact that current HR Business Partners had managed poor performers and rewarded high potential employees.

These findings answer the second sub-question in determining if the current practices of HR strategic partnerships are effective, and support H2 in revealing that current HR practices are effective to a moderate extent, and conform to the studies of strategic human resource management effectiveness (Khatri, 2000; Singh, Tamer, Ana, & Anderson, 2012).
**Table 4.4:** Respondents’ viewpoints towards the effectiveness of the current HR practices

<table>
<thead>
<tr>
<th>HR Business Partner has</th>
<th>To A Very Great Extent</th>
<th>To A Great Extent</th>
<th>To A Moderate Extent</th>
<th>To A Little Extent</th>
<th>To No Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identified talents</td>
<td>5.15%</td>
<td>30.93%</td>
<td>49.48%</td>
<td>12.37%</td>
<td>2.06%</td>
</tr>
<tr>
<td>Identified performance gap</td>
<td>0.00%</td>
<td>34.02%</td>
<td>43.23%</td>
<td>17.53%</td>
<td>5.15%</td>
</tr>
<tr>
<td>Addressed competency and skills gaps through training and development</td>
<td>4.12%</td>
<td>47.42%</td>
<td>29.90%</td>
<td>16.49%</td>
<td>2.06%</td>
</tr>
<tr>
<td>Implemented talent management strategies</td>
<td>6.19%</td>
<td>38.14%</td>
<td>45.36%</td>
<td>6.19%</td>
<td>4.12%</td>
</tr>
<tr>
<td>Aligned performance management processes</td>
<td>4.12%</td>
<td>48.45%</td>
<td>31.96%</td>
<td>14.43%</td>
<td>1.03%</td>
</tr>
<tr>
<td>Driven employee engagement</td>
<td>2.06%</td>
<td>49.48%</td>
<td>27.83%</td>
<td>13.40%</td>
<td>7.22%</td>
</tr>
<tr>
<td>Managed turnover intentions</td>
<td>1.03%</td>
<td>25.77%</td>
<td>45.36%</td>
<td>17.53%</td>
<td>10.31%</td>
</tr>
<tr>
<td>Aligned organisational effectiveness</td>
<td>2.08%</td>
<td>35.42%</td>
<td>43.76%</td>
<td>16.67%</td>
<td>2.08%</td>
</tr>
<tr>
<td>Managed change processes associated with cost reduction initiatives to minimise productivity impacts</td>
<td>2.06%</td>
<td>32.99%</td>
<td>47.53%</td>
<td>15.46%</td>
<td>2.06%</td>
</tr>
<tr>
<td>Driven high performance cultures</td>
<td>7.22%</td>
<td>44.33%</td>
<td>29.90%</td>
<td>12.37%</td>
<td>6.19%</td>
</tr>
</tbody>
</table>

**Figure 4.5:** Respondents’ viewpoints towards the effectiveness of the overall current HR partnering
Interestingly, a majority of the respondents chose the “To a Moderate Extent” to signify the level of effectiveness of the current HR strategic partnerships. Very few managers acknowledged the effectiveness of strategic partnerships between them and their HR Business Partners to no extent.

Nearly half of the participants agreed that current HR Business Partners had identified talents (49.48%), identified performance gaps (44.23%), and managed change processes associated with cost reduction initiatives to minimise productivity impacts (47.53%), whilst about 45% believed that HR partners had implemented talent management strategies and managed the turnover rate and intentions, and aligned organisational effectiveness.

Even though the overall effectiveness of current HR strategic practices were rated “to a moderate extent”, there are certain areas in which HR strategic partnerships were acknowledged to be effective to a great extent. For example, 47.42% of managers assumed that their strategic partners had addressed competency and skills gaps through training and development. HR Business Partners were also seen to have effectively aligned performance management processes (48.45%), driven employee engagement (49.48%), and driven high performance cultures (44.33%).

This managers’ suggestion answers the second sub-question raised in Chapter One.

### 4.2.4 Competencies and Skills required from HR Business Partners

Questions 13 to 15 explored in further details the competencies and skills necessary for HR Business Partners to effectively support the business in driving organisational performance. The findings of these questions are illustrated in the Figure 4.6 and Table 4.5 below:

**Figure 4.6: Respondents’ viewpoints towards a set of competencies and skills required from HR Business Partners**

![Chart showing the importance of competencies and skills](chart.png)
Table 4.5: Respondents’ viewpoints towards the level of importance of each competency and skills required from HR Business Partner to effectively drive organisational performance

<table>
<thead>
<tr>
<th>Competency</th>
<th>Very Important</th>
<th>Important</th>
<th>Fairly Important</th>
<th>Less Important</th>
<th>Least Important</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Business and Financial Acumen</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business awareness and expertise</td>
<td>27.84%</td>
<td>44.16%</td>
<td>18.24%</td>
<td>1.92%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Financial Understanding</td>
<td>30.21%</td>
<td>47.92%</td>
<td>19.97%</td>
<td>2.08%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>HR Technical Competencies</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Recruitment and Selection</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td><strong>Personal Attributes</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independence</td>
<td>22.31%</td>
<td>52.38%</td>
<td>17.46%</td>
<td>0.97%</td>
<td>0.97%</td>
</tr>
<tr>
<td>Resilience</td>
<td>14.43%</td>
<td>54.64%</td>
<td>25.77%</td>
<td>4.12%</td>
<td>1.03%</td>
</tr>
<tr>
<td>Influencing</td>
<td>14.43%</td>
<td>56.70%</td>
<td>25.77%</td>
<td>2.06%</td>
<td>1.03%</td>
</tr>
<tr>
<td>Coaching</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Consulting</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Critical Thinking</td>
<td>14.43%</td>
<td>56.70%</td>
<td>25.77%</td>
<td>2.06%</td>
<td>1.03%</td>
</tr>
<tr>
<td>Analytical</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Negotiation</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Problem-solving</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Conflict resolution</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Leveraging networks</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Communication</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
<tr>
<td>Leadership</td>
<td>15.46%</td>
<td>54.64%</td>
<td>24.74%</td>
<td>5.15%</td>
<td>0.00%</td>
</tr>
</tbody>
</table>
More than half of the surveyed managers thought that knowledge of HR areas (e.g. recruitment, training and development, and so on.) (52.47%) and personal attributes (52.38%) are important competencies and skills for HR Business Partners. Meanwhile, 44.16% of them believed that the understanding of the business and knowledge of finance are also important. These findings suggest that together with HR Competencies, Business and Financial Acumen, interpersonal and leadership qualities form a solid set of skills and competencies that HR Business Partners should possess in order to effectively drive organisational performance. These findings answer sub-question 3 of the research.

Below is a summary of skills, itemized based on a level of importance, suggested by the above-mentioned findings:

Table 4.6: HR partnering skills and interpersonal qualities

<table>
<thead>
<tr>
<th>Skills and Interpersonal Qualities</th>
<th>Percentage indicating level of Importance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and Financial Acumen</td>
<td>27.84%</td>
</tr>
<tr>
<td>Business awareness and expertise</td>
<td>30.21%</td>
</tr>
<tr>
<td>Financial Understanding</td>
<td>15.46%</td>
</tr>
<tr>
<td>Personal Attributes</td>
<td>22.31%</td>
</tr>
<tr>
<td>Leadership</td>
<td>37.11%</td>
</tr>
<tr>
<td>Communications</td>
<td>34.02%</td>
</tr>
<tr>
<td>Problem-solving</td>
<td>32.99%</td>
</tr>
<tr>
<td>Consulting</td>
<td>28.87%</td>
</tr>
<tr>
<td>Conflict resolution</td>
<td>26.80%</td>
</tr>
<tr>
<td>Coaching</td>
<td>25.77%</td>
</tr>
<tr>
<td>Independence</td>
<td>25.77%</td>
</tr>
<tr>
<td>Critical Thinking</td>
<td>23.71%</td>
</tr>
<tr>
<td>Leveraging networks</td>
<td>18.56%</td>
</tr>
<tr>
<td>Analytical</td>
<td>18.56%</td>
</tr>
<tr>
<td>Negotiation</td>
<td>17.53%</td>
</tr>
<tr>
<td>Influencing</td>
<td>14.43%</td>
</tr>
<tr>
<td>Resilience</td>
<td>14.43%</td>
</tr>
</tbody>
</table>

4.3 Responses to interviews

Findings of qualitative data explicitly reflect and form the answers to the research questions as well as the research objectives. Essentially, the qualitative analysis provides the write-up of a thematic analysis of the research in which sufficient evidence of the themes within the data is provided. The analytical findings are presented in sequences based on the sub-research questions. Taking ethical concerns about anonymity and confidentiality into consideration, names of the interview participants
and their banks were instead presented by codes. For instance, all 10 interviewees were identified by coding as Interview A - Interview J.

**Lead question**

*Are you an HR Business Partner? Please explain your role.*

The identification of the actual roles of HR managers in the survey banks was intentionally chosen to be the first question in the interview guide not only to give a chance for the interviewees to introduce themselves but also for the researcher to gain deeper understanding about what the HR managers actually do in their HR role and whether or not the roles are strategic. As claimed by Nel et al. (2012), the role of HR has evolved from administrative to strategic partner; therefore it is necessary to determine what type of power they have and what values they add to the business.

**Responses from participants**

*Yes, I am an HR Business Partner. My main role is to deal with people-related matters. At a strategic level, I am working to support business agendas/initiatives by making sure that people (line managers) are aware of business goals and changes, by providing consulting advice to line managers related to HR (i.e., people movement, recruitments, etc.).*

**Lead question**

*Please explain current practices of HR strategic partnering in your organisation.*

Since HR strategic partnering is a new concept and practice to Cambodia, the HR leaders’ understanding of the role and the responsibilities may vary depending on how familiar and how formal the HR strategic partnering practices are embedded in their organisations. Thus, determining the HR practices in each bank allowed the researcher to gain more understanding of the level of formality and familiarity with this HR partnering concept and also provide an answer to the first Sub-question raised in this research.

**Responses from participants**

*In my organisation, HR Business Partner is a designated HR manager dedicated to a certain department/business to support the business strategically. For example, in recruitment processes, HR BP helps coach line managers (in short, to help build line managers’ capability) to conduct selection processes and provide technical supports to ensure that they follow the bank’s selection procedures. In case, for those line managers new to the process, HR BP will walk them through and help them understand the processes before being handed over to get on with the task.*
Lead question

Are current practices effective? Please explain and provide examples.

As mentioned earlier, practices of HR strategic partnering in the Cambodian banking sector may vary; therefore, it is important that the researcher investigate the current practices and how effective they are in driving business performance.

Responses from participants

I think the current practices are effective because when HR strategy is aligned with business strategy, HR BP can provide necessary supports to the business. A realistic example would be the reduction in turnover rate of the bank.

Lead question

To what extent is the effectiveness? Please elaborate with examples.

In addition to the determining of the effects of HR strategic partnerships, their extent of the effectiveness must also take into account providing an answer the second Sub-question.

Responses from participants

I feel that it is so far so good but still there is some room for improvement. For example, HR BPs need to understand how business works. However, if I am asked to rate the extent of effectiveness, I would say “to a moderate extent”.

Lead question

What do you think are the effects of HR strategic partnerships on organisational performance?

After gaining some understanding about the role and responsibilities of HR managers and HR Business partners, this research question aimed to determine the impacts HR strategic partners have on business performance. This also answers the first Sub-question of the research.

Responses from participants

When it comes to the effects of the partnerships, we consider a number of variables:

(1) Retention rate, (2) engagement rate, (3) staff movement within organisation, (4) staff performance. However, I think that HR BP more or less plays an indirect role (or can be called a by-product/derived outcome).

Lead question

Are there any challenges in performing your role as an HR Business Partner? What are they?

Determining the challenges that HR business partner face in performing their strategic role is one of
the objectives of this research so the findings will provide an answer to the fourth Sub-question of the study.

**Responses from participants**

*There are a number of challenges that HR Business Partners like myself are facing.*

1. **Line managers as well as the business are not fully aware of the role and values of an HR strategic partner**
2. **There is very limited interaction between line managers and HR BP**
3. **Line managers still lack capability to coach their staff**
4. **HR BPs are too new to the role, having insufficient experience, skills and competencies; therefore being too new to the role to be trusted**
5. **HR BPs are more reactive (emergency responder) than proactive**

**Lead question**

*How do you overcome all these challenges?*

Besides determining the difficulties that HR partners are facing, this study also aims to contribute to the improvements of strategic human resource management in Cambodia; therefore, this question was set out in order to provide recommendations to HR business partners as well as HR leaders to overcome the challenges in performing their strategic role.

**Responses from participants**

*Regardless of being new to the role with limited skills, I overcome these challenges by being open and working closely with line managers and business leaders. I also provide feedback to line managers, empower and encourage them to build up their capability and confidence meaning for the line managers to take accountability.*

**Lead question**

*To you, as an HR Business Partner, what are the skills required to effectively drive organisational performance?*

In addition to the identification of challenges of HR strategic partnering and how HR leaders overcome them, it is very important to explore the set of skills and competencies required from HR leaders in order to effectively drive organisational performance. The findings shed light on the fourth Sub-question of the study.
Responses from participants

I think the skills include leadership, consulting and coaching, business understanding, as well as HR knowledge, the most important area. You can’t perform an HR role if you do not understand yourself as an HR

Lead question

Have you got all the skills necessary to perform the job?

This question was again set out to assess the readiness of the current HR business partners in performing their strategic roles. The findings shed light on the third Sub-question of the study.

Responses from participants

No, there are certain areas that I must improve. For example, I must get more involved with the business that I am supporting. I have to make sure that I am capable of sitting together in the management meeting with them to make sure that my voice that represents HR is being heard.

4.3.1 Current practices of HR strategic partnering

The interviews revealed that HR strategic partnering practices exist in the Banking sector in Cambodia. However, while some banks had formal implementation and practices in place, some other banks only had the concepts but had not put them into actual practice yet. These findings answered the first Sub-question of the research.

Yes, I am an HR Business Partner. My main role is to deal with people-related matters. At a strategic level, I am working to support business agendas/initiatives by making sure that people (line managers) are aware of business goals and changes, by providing consulting advice to line managers related to HR (i.e., people movement, recruitments, etc.) (Interviewee A).

I am an HR manager but not an HR business partner because in my organisation, there is no physical HR BP position yet; however, as an HR Manager, I have to work in partnerships with the line manager in delivering people agendas to drive organisational effectiveness (Interviewee G).

I am a recruitment manager. There is no HR BP role here just yet but we can call ourselves HR BPs because we do know that strategic partnerships are crucial for HR effectiveness and efficiency (Interviewee J).

HR business partner roles are concise and concrete in the banks that are rooted with standard practices of HR partnering. Nevertheless, in the banks that are yet to have those formal practices, HR managers consider themselves as strategic partners but perform both administrative and strategic roles.
HR Business Partner is a designated HR manager dedicated to a certain department/business to support the business strategically. For example, in recruitment processes, HR BP helps coach line managers (in short, to help build line managers’ capability) to conduct selection processes and provide technical support to ensure that they follow the bank’s selection procedures. In some cases, for those line managers new to the process, HR BP will walk them through and help them understand the processes before being handing them on to the task (Interviewee B).

4.3.2 The effects of HR strategic partnering

The interviews revealed the importance of the use of HR strategy and practices, part of human resource initiatives, in order to achieve organisational goals. These findings answered the first second were in congruence with the quantitative data presented in part 4.2.2 and 4.2.3.

The current HR Business Partners were believed to have contributed to a high performance organisation characterised by a number of practices including comprehensive recruitment and selection procedures, extensive and relevant training and development agendas, incentive pay systems, and performance management processes. Interviewee H shared:

Our current HR practices added value to a high performance organisation by having in place people agendas, high performance programmes, competitive pay systems, and performance management processes.

Furthermore, strategic partnerships from HR partners looked beyond the old paradigm of filling the vacancies and training and development activities but instead understanding talent essentials in congruence with the business strategy. The HR Business Partners, in collaboration with line managers and HR shared service, established comprehensive talent management framework integrated processes for recruiting, career planning, and developing talents. Interviewee A and interviewee B explained:

With support from line managers and HR shared services, we have been able to develop a talent management framework that is an integration of strategic recruitment, on-going career planning, and wide-ranging training and development. Instead of filling in the vacancies, we manage our internal pools making sure that our people have chances to move up to the next level and at the same time, we are able to reduce the recruitment costs.

In addition, HR strategic partners leveraged line managers’ ability to create values in driving employee commitment, encouraging involvement, and empowering decision-making (Halbeslenben, 2010). This in turn contributed to the building of capable and accountable line managers. Interviewee I clarified:
We took line managers’ hands and walked them through the necessary processes. As a result, after a considerable amount of time, we were able to see the differences (better) in some line managers compared to when they first got on board.

On top of that, Interviewee C insisted that as an HR BP, she acted as an effective change agent in easing the effect of change and protecting employees against some of the unwelcome impacts, ensuring positive results in responding to confrontational situations, and contributing to a successful change management in the organisation (Edgley-Pyshorn & Huisman, 2011). Interviewee C elaborated:

One of the roles of an HR strategic partner is to drive change and manage change. The most recent example was the change of middle management. I had to ensure that people (those involved and who might get affected by the change) were well aware of the change and supported the change processes. At first they were not pleased with the change; however, after some discussion as well as one-on-one coaching sessions, with an understanding that it was a direction from business strategy, we had to brace ourselves and get ready for the change.

Despite having implemented the HR strategic partnering practices for some years, Interviewees A, D, and I observed that there is still room for improvement. Due to an enormous requirement for administrative support resulting in the loss of focus, HR partnering is not as effectiveness it was supposed to be; therefore, I would rate the current HR strategic practices “to a moderate extent”. This contributes to the second sub-question stated in Chapter One.

When Interviewee A was asked about the extent of the effectiveness of his partnering role, he added:

However the practices are not yet fully effective due to the fact that the number of people responsible for the processes is limited. For instance, one person like myself is required to handle many tasks, resulting in time constraint and the loss of focus.

4.3.3 Competencies and Skills required from HR Business Partners

Besides determining the effects of HR strategic partnerships and the extent of their effectiveness, this research also intended to explore the skills, competencies, and personal attributes that effective HR business partners should possess. According to the literature review, mainly by Lambert (2009), Ulrich (2012), and Kenton & Yarnall (2013), successful strategic partnerships with the business require HR BPs to have a set of qualities categorised into three dimensions namely (1) Business and financial acumen, (2) HR technical competencies, and (3) Personal attributes
Table 4.7 below displays current HR managers’ and HR business partners’ views towards the skills, competencies, and personal attributes required from an effective HR business partner.

<table>
<thead>
<tr>
<th>Skills and Interpersonal Qualities</th>
<th>Participants who viewed this quality as important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business and Financial Acumen</td>
<td>IA, IB, ID, IE, IF, IG, IH, IJ</td>
</tr>
<tr>
<td>Business awareness and expertise</td>
<td></td>
</tr>
<tr>
<td>Financial Understanding</td>
<td></td>
</tr>
<tr>
<td>HR Competencies/Capabilities</td>
<td>IA, IB, IC, ID, IE, IF, IG, IH, II, IJ</td>
</tr>
<tr>
<td>Recruitment and selection</td>
<td></td>
</tr>
<tr>
<td>Compensation and benefits</td>
<td></td>
</tr>
<tr>
<td>Training and development</td>
<td></td>
</tr>
<tr>
<td>Employment relations</td>
<td></td>
</tr>
<tr>
<td>Performance management and OD</td>
<td></td>
</tr>
<tr>
<td>Personal Attributes</td>
<td>IA, IB, IC, ID, IE, IF, IG, IH, II, IJ</td>
</tr>
<tr>
<td>Leadership</td>
<td></td>
</tr>
<tr>
<td>Communications</td>
<td></td>
</tr>
<tr>
<td>Problem-solving</td>
<td></td>
</tr>
<tr>
<td>Consulting</td>
<td></td>
</tr>
<tr>
<td>Conflict resolution</td>
<td></td>
</tr>
<tr>
<td>Coaching</td>
<td></td>
</tr>
</tbody>
</table>

Below exhibits a summary of qualities that effective HP business partner should possess

**Figure 4.7:** HR Partnering skills and personal attributes model

Results from interviews with 10 HR Managers and HR Business Partners answered the third sub-question, supported part 4.2.4 that listed a set of skills and personal qualities that HR Business Partners should possess in order to drive positive results in organisational performance and were in favour of H3 in addressing the importance of having the right skills in order to effectively support the business to achieve organisational excellence.

4.3.4 Challenges that HR managers are facing

The research found that all the interviewees who were HR managers and HR Business Partners highlighted there were a huge number of challenges that they are facing in performing their HR strategic role, which answered the fourth sub-question in Section 1.3, Chapter One and supported H4 that hypothesises that the challenges that HR business partners are facing prevent them from performing an effective strategic partnering role. The challenges include internal and external factors.

Internal factors concern HR partners’ readiness to perform a more strategic role due to a lack of HR strategic experience, inadequate HR partnering skills, the interpersonal and leadership qualities that enable them to take the initiative and lead the change in the organisation, and non-concrete and official role/position of HR BP in real practices.

“*The concept of HR strategic partnerships was first introduced to the Cambodian banking sector not long ago; thus, there have not been many experts in this field*”, according to Interviewee D

A lack of experience in HR strategic partnerships has put some HR managers and HR Business Partners in a trial and error position where they are earning their experience and correcting their flaws while performing their job. Interviewee H said:

“I provide consulting supports by using my experience and I am still earning the experience while doing the job”.

Also, without adequate HR partnering skills, some HR BP become less proactive in delivering people agenda to support the business strategy resulting in ineffectiveness and inefficiency of HR strategic service delivery. As mentioned by interviewee F:

*Most of the times, I am more reactive than proactive. I am an emergency responder, I would say. I deal with problems when they have already arisen instead of having plans to prepare for the problems before they arise.*

Moreover, a lack of understanding of the business is also a critical challenge for HR strategic partners
in effectively driving organisational performance. Interviewee A, B, and C insisted:

I am still struggling with an in-depth understanding of the business I am supporting. The room for improvement for me is to gain well-rounded knowledge of the business, their needs, and their difficulties in order to interact well with the business and to support their strategy effectively.

External constraints from line managers and the business also form critical challenges to HR managers in performing their strategic partnering role that aims at effectively supporting business strategy and driving organisational performance. Line managers are not fully aware of the role and true values of HR strategic partners (Lambert, 2009). Interviewee E explained:

The business is still not well aware of the role of HR BPs. To my surprise, some line managers do not even know what HR BPs do, why they are there, and the positive impacts that HR BPs bring.

Surprisingly, at some banks, there are not proper practices of HR strategic partnering yet. That is to say, there is no concrete HR Business Partner position designated to support the business. The practices are that the HR Managers are there, considering themselves as a partner to the business, not necessarily strategic or administrative. These grey areas in the HR practices create vagueness and uncertainty for the line managers regarding the role and values of HR partners resulting in an impediment in performing the HR role. As Interviewee F mentioned:

There is no HR BP role in this bank even though I was sure that as an HR manager, I have to strategically support the business in order to achieve the business goals. If we do not yet have the position in place, how can our stakeholders know what we are, what we are doing, and how we are going to provide the benefits? The problem is how we are going to communicate with the line managers.

In addition, the challenges also concern line managers’ accountability and capability in coaching their staff and dealing with poor performers. Managers play an increasingly important leadership role in nurturing the team’s ability to take on new challenges, be proactive in taking initiatives, embrace risk, and cope with organisational instability and change. However, some managers have not displayed their leadership qualities by providing clear vision, transforming the team interest from individual to collective interest, and supporting them all the way through. They are not willing to make hard decisions due to capability issues and avoidance of taking the responsibility (Du Plessis, 2015). Interviewee G and Interviewee I expressed their thoughts:

Maybe they [line managers] are not fully conscious of our roles as HR BP or maybe they [line
managers] are choosing an easy way out. For example, when it comes to managing poor performers, they always ask us to do it for them either by saying it is not their job or telling us that they are not sure of what to do. In short, they are not fully accountable for their role as a manager.

Consequently, ensuring line managers’ capability requires that HR partner’s put more work and effort, both administrative and strategic, into their consulting and coaching role. An ability to motivate and empower line managers becomes a requirement for HR BP’s to perform a consulting and coaching role. This administrative requirement often results in a delay in providing the strategic role, leading to an inefficiency of delivering people agenda. Interviewee E and Interview I complained:

Line managers do have technical capability; they can do their job really well. However, their inability to coach their staff and deal with poor performance requires double work from me now as I need to take their hand in performing the hard role as well as to coach them to make sure they are fully capable. Supporting them involves administration and strategy.

As for culture issues, some banks are embedded with deep-rooted cultures and systems that value a length of service more than the courage for creativity and innovation. The longstanding managers are not willing to get out of their comfort zone and strive for change for fear that the change might affect their job. This uncompromising attitude and mindset impede the transformation of administrative human resources to strategic human resources. Interviewee G and J mentioned:

Not that we do not want to implement new concepts like HR strategic partnerships to the business; but the current system places an obstacle for us to transform to a more strategic role. There are a lot of managers that have been here with the bank since the bank was opened. They are in rich in experience that contributes to the sustainability of the business; however, their unwillingness to make change is an impediment.

In addition, the negligence and ignorance for change of some managers signifies a complacency and slow sense of urgency towards turbulent economic situations that require them to adapt to new cultures and practices, regardless of the business’s need for changes. The resistance to change, as a result, obstructs HR Business Partners to drive change ensuring positive results on organisational effectiveness. Interviewee G described:

The business is in need of change; however, some managers seem to lay back with the urgency of change. I am certainly sure that the bank can achieve more if we are less complacent with current achievements and build a stronger sense of urgency working toward organisational effectiveness.
### 4.4 Chapter Summary

Chapter Four gives an analysis of collected data from online surveys and interviews in the form of description, tables, and figures. Data was collected from supervisors, managers, line managers, HR managers, and HR Business Partners of four banks in Cambodia. Table 9 below summarises the main findings of the study from both data sources.

<table>
<thead>
<tr>
<th>Number</th>
<th>Major findings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sub-Question One</strong></td>
<td>HR strategic partnering practices exist in Banking sector in Cambodia; however, while some banks have had formal implementation and practices in place, some other banks are still in grey areas with the HR strategy and practices. HR business partner roles are concise and concrete in the banks that are rooted with standard practices of HR partnering. Nevertheless, in the banks that are yet to have those formal practices, HR managers consider themselves as strategic partners though performing both administrative and strategic roles. Strategic partnerships from HR department contribute to the organisational performance through driving high performance organisation, leveraging line managers’ capability and accountability, and managing change.</td>
</tr>
<tr>
<td><strong>Sub-Question Two</strong></td>
<td>The current practices of HR strategic partnering is effective but only to a moderate extent due to a number of challenges.</td>
</tr>
</tbody>
</table>
| **Sub-Question Three** | The challenges that HR Business Partners are facing in performing their partnership role include, but are not limited, to the following:  
(1). The lack of understanding and awareness of line managers towards the HP role and true values added to the business  
(2) Line managers capability and accountability  
(3) HR readiness in performing strategic partnership role due to a lack of experience, inadequate partnering skills, and interpersonal and leadership qualities.  
(4) Laid back bank cultures embedded in the organisation so that some line managers are not willing to get out of their comfort zone and strive for change. |
| **Sub-Question Four** | In performing HR strategic partnership role, HR Business Partners require a set of skills incorporating HR competencies, business and financial acumen, and personal attributes. |
The data analysis provides empirical findings to the inconclusive literature review in Chapter Two and helps answer the main research question and sub-questions. The findings from interviews confirm and strengthen the results of the online survey.

The next chapter, Chapter Five discusses and analyses in further detail the findings from the mixed methods.
Chapter Five: Discussion of the results

5.1 Introduction

Chapter Four presented the findings of the collected and analysed data from online surveys and interviews. This chapter is intended to further discuss the findings in connection with the literature in Chapter Two in order to find out in deeper insight whether or not the results from previous studies on the similar topics are in support of, extend or contradict the current study on effectiveness of current HR strategic partnering. It also seeks to answer the main research question, the sub-questions as well as to test the hypotheses raised in Chapter One. Chapter Five is written in the same structure of that of Chapter Four to maintain coherence and cohesion of the study.

5.2 Discussion of all Sub Questions

Besides the five main areas of this research, this study is also based on four hypotheses as stated below:

H1: HR strategic partnerships with the business bring positive impacts on organisational performance
    Ho1: HR strategic partnerships do not bring positive impacts on organisational performance
H2: HR strategic partnering practices in Cambodian banking sector are effective
    Ho2: HR strategic partnering practices in Cambodian banking sector are not effective
H3: Having the right partnering skills help HR BPs to drive organisational performance
    Ho3: Having the right partnering skills do not help HR BPs to drive organisational performance
H4: Strategic HRM challenges prevent HR partners from driving organisational effectiveness
    Ho4: Strategic HRM challenges do not prevent HR partners from driving organisational effectiveness

5.2.1 Sub-question One

The discussion on the effects of HR strategic partner focuses on Area 1 and Hypothesis 1:

H1: HR strategic partnerships with the business bring positive impacts on organisational performance
    Ho1: HR strategic partnerships do not bring positive impact on organisational performance

Sub-question 1 has addressed Ho1. Data analysis from the survey confirmed that HR partnerships with the business does exist in the Cambodian banking sector and that HR strategic involvements bring positive impacts on organisational performance to sustain competitive advantage.
The interview results showed that more than half of the participants (seven) claimed that they worked closely with line managers mainly on the HR administrative functions like recruitment and selection, compensation and benefits, and training and development. This was because the role and responsibilities of HR strategic partner were not clearly defined, communicated, and incorporated in their job description. However, they still considered themselves as the partner to the business in translating the business’s needs and challenges into HR agendas and addressing those needs in accordance to the alignment of the HR and business strategies (Ulrich & Brockbank, 2005).

Meanwhile, among the ten HR leaders, only three were the HR Business Partners (HR BPs) by role mandate. However, due to the complexity and the lack of HR partnering experience and competencies, the line managers’ scepticism about the role of strategic partners, the HR BPs still performed more administrative functions. This can be indicated that current HR Managers and Business Partners do not really perform an HR business partner role in formulating HR strategies and practices. The strategic involvement is yet aggressive and at the par of the expectation. Armstrong (2012) is of the opinion that HR strategic partners are those who formulate HR strategies, which are in line with business objectives, allowing inputs from an HR perspective in formulating and implementing the firm’s business strategies. These findings indicate that HR strategic partnering practices exist in Banking sector in Cambodia even tough in some surveyed banks, the roles of HR strategic partner had not been well formalised and implemented.

Nearly 65% of respondents believed that HRM strategy and practices that are aligned with a business’s competitive strategy provide a significant contribution to organisational performance enhancing competitive advantage. This result is in full support of previous studies in different contexts ranging from research in developing countries, including Taiwan (Chang & Huang, 2005), to developed nations such as Jordan (Darwish & Singh, 2013) and Australia (Andersen, Cooper, & Zhu, 2005), with a variety of sectors namely education (Edgerly-Pushorn & Huisman, 2011) and services (Nigam, Sharma, & Tripathi, 2011). Being the first research on HR strategic partnerships in the context of the Cambodian banking sector, this research is filling the gap in the literature as it extends the literature review by adding one more empirical case to the body of knowledge.

This research indicates that more than half of the respondents (55.6%) of online survey participants believed in the fact that strategic HR involvements drive and improve high performance cultures (See table 4.2 in Section 4.2.2). The impacts of high performance are made through high performing individuals with their knowledge, skills, abilities, motivation, and social relations in areas of product quality, growth, profits, level of customer service and satisfaction, and increased shareholder values (Armstrong, 2008). A firm can reap the benefits of talented staff from their outstanding performance;
however, ensuring competitive advantage can be very challenging (Lawler, 2009) as cited in Coulson-Thomas (2012); thus, achieving it requires strategic partnerships from HR business partners in leveraging the talents’ capabilities in enhancing organisational performance.

One out of ten respondents held a view that HR business partners did not provide added value to employee commitment; however, those respondents who trusted in the goodwill of HR partners outnumbered those who did not. Strategic HRM contributed to the nurturing of employees’ affective commitment and psychological contract. Nel et al. (2014) believe in employee involvement and commitment with the firm. This necessitates HR strategic partners to perform a leadership role in fostering employees’ affective commitment and transforming it into positive results. The organisations will benefit from employee affective commitment because the more the organisation utilizes human resources, the higher and greater quality results it generates.

Data analysis also reveals that at least 32 out of 100 respondents felt positive about the value HR BPs add onto employee turnover rate and turnover intentions. Surprisingly, nearly half of the participants (47.20%) felt unsure about this; whereas, only 12 of all respondents objected to this claim. The result of the influence of strategic human resource management on employee turnover is in line with the findings of earlier research in literature such as Halbeslenben (2010); Mendes & Stander (2011); Darwish & Singh (2013).

Even though 8% of managers at the surveyed banks disagree that HR involvement leads to the creation of a competent workforce, about 60% believe that HR departments and HR business partners played a crucial role in building a competent workforce in their organisations, contributing to the organisational effectiveness. These results are in congruence with previous research by Nigam, Sharma, & Tripathi (2011) in service sector firms in India.

Of all the surveyed managers, 61.86% agree with previous researches on positive impacts that strategic HRM and HR BPs bring to effective organisational change and development (Long & Ismail, 2012; Nel et al., 2014; Baratt-Pugh, Bahn, & Gakere, 2013). Baratt-Pugh, Bahn, & Gakere (2013) stress the increasingly important role that HR leaders play in organisational change forming a relationship that reflects the focus on HR as a source of strategic advantage on organisational effectiveness. Effective organisational change and development requires employee participation, engagement, and creativity to change and improve business practices; therefore, it is important that HR leaders maximise the value of change for the business through people and for people (Nel et al., 2014). According to Ulrich et al. (2005) as cited in Long & Ismail (2012), the HR strategic partner plays a crucial role in easing the effect of change in the organisations and protecting employees against unwelcome impacts. In the
opinion of Neal (2008), the maximum value of business change can be attained through strategic partnerships of HR, the catalyst for change that brings about clear people strategy, which is an integral part of the business strategy to lead the entire change process.

The online survey’s findings illustrated a disagreement of 3.36% of respondents over the fact that the increase of work productivity is contributed through HR strategic partnerships, which is in congruence with the findings on employee performance (Wang & Shyu, 2008; Cheese, 2008). However, there was a dramatically larger percentage of those who agreed that work productivity depended significantly on the involvements of strategic HMR and HR BPs. Organisations that build distinctive, integrated capabilities aligned with business strategy tend to outperform competitors in relation to work productivity contributed by talent powered and committed employees. This shows the essence of HR strategic partnerships in finding, growing, developing, and engaging workforce throughout the organisation and from top (Cheese, 2008).

To sum up, the positive impacts of HR strategic partnerships in the Cambodian banking sector is examined in detail by further analysis and discussing the 10 myths around HR strategic practices in organisations while certain findings are applicable only to the private sector particularly the banking sector in Cambodia, although most findings are consistent with literature. These findings rejected Ho1 that HR strategic partnerships with the business do not bring positive impacts on organisational performance because strategic HR practices have been implemented with positive impacts on organisational performance.

**H1 and Area1:** The result supports H1 that hypothesises that there are positive impacts. Table 4 and Figure 9, displayed in Section 4.2.2 and discussed with literature, concentrate on the first area of this study and show the effects of strategic HRM on organisational performance.

### 5.2.2 Sub-question Two

The discussion on the extent of the effectiveness of current HR strategic partnering focuses on Area 2 and Hypothesis 2:

**H2:** HR strategic partnering practices in the Cambodian banking sector are effective

**Ho2:** HR strategic partnering practices in the Cambodian banking sector are not effective

The quantitative data analysis of the above section confirmed that there was a growing consensus that HR partnerships of strategic HRM significantly increase organisational performance provided that HRM strategy and practices are appropriately aligned with the business competitive strategy. The data assessment of this section is intended to address Ho2 so as to determine the actual effectiveness of HR
strategic involvements and the extent of the effectiveness of current strategic HRM practices in the Cambodian banking sector.

Firstly, data analysis shows that a majority of the respondents believed that current HR partners focused on internal customers (58.59%) and they understood the needs of the business (54.17%). To effectively support the business’s plan, HR partners have to give attention to the needs of the entire firm over a long-term period and help develop business strategies, taking into account the integration and execution of human capital strategies (Robinson & Robinson, 2005).

Also, about the same percentage of the respondents indicated that their current HR BPs have contributed significantly to driving positive outcomes through the alignment of HR strategy and practices with the strategy of the firm. This finding is in congruence with Ulrich, Younger, & Brockbank, (2008).

In addition, almost half of the surveyed managers (42.86%) realised that their HR BPs are an important partner in the formulation and implementation of their firm’s strategy. They provided a further view that the HR BPs had an influence on their department’s decision making regarding people agenda. This indication reflects Kenton & Yarnall (2005) that state that strategic business partners are trusted advisers that influence the clients through credibility, expertise, skills, and knowledge and they establish credibility by providing strategic solutions and delivering objective advice.

The results of data assessment on current strategic HR involvements also show that there is quite a considerable percentage of surveyed participants who were unsure whether or not their HR BPs had understood employee competencies (27.84%) and had addressed employee skill gaps (30.90%). However, HR BPs were believed in by half of the managers who worked closely in partnerships with them and mentioned that they had addressed employee skill gaps through their in-depth understanding of employee competencies and their needs. Ulrich et al (2012) stress the importance of strategic HRM sound practices in ensuring sustained value by establishing organisational capabilities and nurturing individual abilities and contribution through the identification of their competencies and skill gaps.

Current HR BPs were also involved in the performance management process, according to more than 70% of the respondents. They believed that HR BPs had managed poor performers and rewarded high potential employees accordingly. Regarding partnering skills, the results show that of the four studied banks, only about half believe that their HR BPs have the right and necessary skills to work in strategic partnerships.

The examination on the extent of the effectiveness of current HR strategic partnerships with the
business in improving organisational performance with a focus on Area 2 and sub-question 3 in Section 1.3 of this report seeks to provide evidence and gain an understanding on how HR systems, practices and HR partners are viewed. Section 4.2.3 revealed the surveyed bank line managers’ level of agreement of the effectiveness of current HR involvements. This section incorporates HR managers’ and HR Business Partners’ opinion on the effectiveness of their partnerships with line managers.

The interviews revealed the importance of the use of HR strategy and practices, part of human resource initiatives, in order to achieve organisational goals. Findings from the interviews support the proposition that strategic HRM and HR BPs bring positive impacts on organisational performance, which was consistent with findings from the online survey and other study in the literature.

The current HR Business Partners were believed to have contributed to a high performance organisation characterised by a number of practices including comprehensive recruitment and selection procedures, extensive and relevant training and development agendas, incentive pay systems, and performance management processes. With a specific aim to make a positive impact on organisational performance through its people, managing high performance necessitates strategic involvements from HR champion managing and developing human capitals, nurturing employee capabilities and exercising their full potential, commitment and engagement, and preparing them to be successful (Halbeslenben, 2010).

Furthermore, strategic partnerships from HR partners looked beyond the old paradigm of filling the vacancies and training and development activities but instead understanding talent essentials in congruence with the business strategy. The HR Business Partners had established comprehensive talent management framework aiming at managing poor performance and rewarding high performing employees. Cheese (2008) states that a key strategic success is talent; however, talent is harder to find, manage, and retain than ever before but easier to waste and lose while recruiting exceptional talents can cause implications if they are not properly managed. In this regard, HR BPs must work collaboratively with line managers to integrate processes for recruiting, career planning, and developing talents and to identify the more critical skills necessary for employees in executing the business strategy and differentiating from its competitors.

In addition, HR strategic partners leveraged the line managers’ ability to create values in driving employee commitment, encouraging involvement, and empowering decision-making. This in turn contributed to the building of capable and accountable line managers in the organisation. Du Plessis (2015) is of the opinion that an effective and sustainable organisation is based on employee involvement, commitment and engagement, rather than employee control, and to create workplaces
that are both highly productive and offer employees high levels of job satisfaction entail involvements from line managers to work in partnerships with HR BPs to build work practices and employment practices that are complementary, mutually supportive, and together produce system-wide effects--commitment and performance.

On top of that, HR BP acted as a change agent in easing the effect of change and protecting employees against some of the unwelcome impacts, ensuring positive results. Organisations going through major change have to make sure that their people perceive change positively and support the change process (Neal, 2008). It is, therefore, fundamental that HR is involved at the top and from the earliest stage to measure the competence for change, ensuring and supporting the leadership of change, to clarify vision and communicate the message of change, and to act on HR strategies in accordance with the business strategies to maximise the value of business changes as well as protect employees against some of the unwelcome impacts of change (Edgley- Pyshorn & Huisman, 2011).

Interview data analysis reveals that HR partnering is not as effectiveness as it was supposed to be and HR strategic partnership effectiveness therefore was rated only “to a moderate extent”. Despite having implemented the HR strategic partnering practices for some years, HR departments and HR BPs still have room for improvements with their HR systems and practice. HR BPs at some points were seen to have lost focus due to an enormous requirement for administrative support resulting in a failure to deliver effective partnerships.

Surprisingly, according to the analysed data of the interviews in Section 4.3.2, at some banks, there were no proper practices of HR strategic partnering yet. That is to say, there is no concrete HR Business Partner position designated to support the business. The practices were that the HR Managers were there, considering themselves to be a partner to the business, not necessarily strategic or administrative. These grey areas in the HR practices create scepticism in the line managers about the role and value of HR partners resulting in an impediment in achieving positive outcomes.

**H2 and Area 2**: Findings from both the questionnaires and interviews supported H2 that says the current HR strategic partnership practices in the Cambodian banking sector are effective. The majority of the respondents signify the level of effectiveness of the current HR partnerships by “to a moderate extent” believing that their HR BPs have done well enough on some areas and still have room for improvements to effectively support the business. The Table 6 and figure 10 presented in Section 4.2.3 affirm the extent of the effectiveness of their strategic HRM. These findings therefore rejected **Ho2** that says *HR strategic partnering practices in Cambodian banking sector are not effective* because in reality, current practices of strategic HR partnering are effective though to only a moderate extent.
5.2.3 Sub-question Three

The discussion on the skills and competencies that HR strategic partner should possess focuses on Area 3 and Hypothesis 3:

H3: Having the right partnering skills help HR BPs to drive organisational performance

Ho3: Having the right partnering skills do not help HR BPs to drive organisational performance

The outcomes of the survey demonstrate line managers’ viewpoint towards skills and competencies that HR BPs should possess in order to work in strategic partnerships with the business and explicitly addresses Ho3. More than half of the surveyed managers thought that knowledge of HR areas (e.g. recruitment, training and development, etc.) (52.47%) and personal attributes (52.38%) are important competencies and skills for HR Business Partners. Meanwhile, 44.16% of them believed that the understanding of the business and knowledge of finance are also important. This finding somehow is consistent with the findings of Lambert (2009) that emphasizes the equal level of importance of business and financial understanding and HR competencies. Lambert (2009) is of the opinion that business awareness and all-round knowledge of HR theory and practice are key elements to enable HR professionals to act strategically and have more potential in improving organisational effectiveness and sustaining competitive advantage. HR BPs with the ability to interpret and anticipate trends by processing the business sector and addressing people issues, that affect business performance, are more effective (Vacassin, 2009 as cited in Lambert, 2009).

In addition, 52.38% indicates the percentage of line managers who believe that personal qualities of HR leaders are as important as HR knowledge on systems and practices. This finding supports the claim of Ulrich, Brockbank, Younger, & Ulrich (2008) that says personal qualities and attributes play a crucial role in enabling HR BPs to drive HR effectiveness. Ulrich, Brockbank, Younger, & Ulrich (2008) goes on to say that to be able to bring a huge difference to robust relationships with the stakeholders and positive impacts on the business performance, HR BPs must have the right calibre and the right personal characteristics.

It is, moreover, necessary to note that having the right attitudes is crucial for HR BPs to deliver satisfactory results and effective partnerships. Positive outcomes can be brought about only when the incumbent has the right, and excellent, attitudes, coupled with the right skills and capabilities (Du Plessis, 20015).

H3 and Area 3: The result supports H3 which hypothesises that having the right partnering skills and qualities enable HR BPs to act strategically resulting in an increase of organisational performance and
Ho3 is rejected. This section is set out to examine area 3 as stated in Section 1.3 Chapter One. The understanding of the business, all-round knowledge of HR functions, and personal qualities, attributes, and attitudes form a full set of credentials for an HR professional to perform an effective partnering role. Therefore, Ho3 that says having the right partnering skills do not help HR BPs to drive organisational performance is rejected because without the right set of HR partnering skills and competencies, HR business partners will not be able to effectively perform their strategic roles in obtaining organisational goals.

### 5.2.4 Sub-question Four

The discussion on the challenges that HR strategic partners are facing focuses on Area 4 and Hypothesis 4:

H4: Strategic HRM challenges prevent HR partners from driving organisational effectiveness.

Ho4: Strategic HRM challenges do not prevent HR partners from driving organisational effectiveness

This section addresses Ho4. According to the analysed data of the interviews in Section 4.3.2, each HR manager and HR BP admitted having had encountered a number of challenges in performing their role. This finding is in accordance with the outcomes of previous studies including Kenton & Yarnall (2013), Lambert (2009); and Du Plessis (2015). The challenges incorporate internal and external factors explained in detail below:

A huge and growing challenge to HR partners’ readiness to perform a more strategic role is due to a lack of HR strategic experience, inadequate HR partnering skills, and lacking interpersonal and leadership qualities to take on initiatives and lead the change in the organisation. Basically, the concept of HR strategic partnerships was first introduced to Cambodian banking sector not long ago; therefore, there have not been many experts in this field. HR managers have been in a trial and error position where they gain their experience and correct their flaws while performing the job. Also, as a result of inadequate HR partnering skills, some HR BP become less proactive in delivering people agenda to support the business strategy resulting in ineffectiveness and inefficiency of HR strategic service delivery.

Moreover, the interview analysis shows that a lack of understanding of the business is also a critical challenge for HR strategic partners in effectively driving organisational performance. In the opinion of Lambert (2009), HR partners need to combine business awareness with strong, well-rounded knowledge of HR theory and practice in order to achieve positive results. An in-depth understanding of the business enables HR BP to interpret and anticipate trends of business sector, recognize the needs of
the business and their difficulties, and prepare for organisational development. These are fundamental elements for analysing the people issues affecting business performance and supporting the business effectively.

External constraints from line managers and the business also form critical challenges to HR managers in performing their strategic partnering role. First of all, line managers are not fully aware of the role and true values of HR strategic partners. To some managers, what HR BPs do, why they are there, and the positive impacts that HR BPs bring are still a mystery for them. As a result, managers become sceptical about the role resulting in a lack of collaboration with HR BPs (Vacassin, 2009 as cited in Lambert, 2009).

In addition, according to the analysed data from the interviews, the challenge also lies within line managers’ accountability and uncertain capability in coaching their staff and dealing with poor performers. Managers play an increasingly important leadership role in nurturing the team’s ability to take on new challenges, be proactive in taking initiatives, embrace risk, and cope with organisational instability and change (Nel et al., 2014). However, some managers have not displayed their leadership qualities in providing clear vision, transforming the team interest from individual to collective interest, and supporting them all the way through. They are not willing to make hard decisions due to capability issues and avoidance of taking the responsibility. Therefore, as their partner, HR managers have to provide consulting advice, coach them and walk them through certain processes ensuring that they are fully capable.

Consequently, ensuring line managers’ capability causes HR partner’s more work and effort, both administrative and strategic, in consulting and coaching role (Du Plessis, 2015). An ability to motivate and empower line managers becomes a requirement for HR BP’s to perform in their consulting and coaching role. This administrative requirement often results in a delay in providing strategic role leading to an inefficiency of delivering people agenda.

Last but not least, similar to the literature regarding the importance of change (Nel et al., 2014), the business is in need of change; however, some managers seem to lay back with the urgency of change. The negligence and ignorance of need for change of some managers signifies a complacency and slow sense of urgency towards turbulent economic situations that need to adapt to new cultures and practices regardless of the business’s need for changes. The resistance to change, as a result, obstructs HR Business Partners’ efforts to drive change and so ensuring positive results on organisational effectiveness.
The interview data also signifies that embedded working cultures and systems that value length of service more than the courage for creativity and innovations at some banks place an obstacle for HR managers to transform into a more strategic role. Besides being sceptical about the role of HR strategic partnering and the importance of accountability and collaboration, the longstanding managers are not willing to get out of their comfort zone and strive for change. This uncompromising attitude and mindset impedes the transformation of administrative human resources to strategic human resources. This finding on working cultures that prevents senior managers from striving for change expands the literature on the challenge of strategic HRM.

**H4 and Area 4:** The result of the interview analysis also supports H4 that hypothesises that strategic HRM challenges prevent HR Business Partners from performing an effective strategic partnership role. The purpose of this section is to examine area 4 as mentioned in Section 1.3 Chapter One. Owing to these findings, Ho4 that states that strategic HRM challenges do not prevent HR partners from driving organisational effectiveness is rejected because apparently, there are growing numbers of challenges that current HR business partners are facing in performing their strategic roles. Overcoming all these challenges will help HR business partners to provide more added values to the business in sustaining competitive advantages.

**5.3 Chapter summary**

Data from the questionnaire and interviews were analysed further in the form of complementing each other and in comparison with the literature to ensure the accountability and credibility of the study. The findings support H1 to H4 and answer the main research question and all the sub-research questions 1 to 4.

In addition to the consistency with literature, some findings were beyond the researcher’s expectation and what was found in previous studies. For example; long-embedded working cultures and the resistance to change that form an enormous challenge for HR partners.

This research not only enhances the results of previous studies but also offers one more empirical finding to literature.

Chapter Six provides conclusion, recommendations, limitations as well as implications of the study.
Chapter Six: Conclusion and Recommendations

6.1. Introduction

The results of quantitative and qualitative data analysis were further analysed and discussed in Chapter Five. Chapter Six summarises the overall findings and suggest some recommendations gathered from HR managers, HR business partners, and line managers who participated in this research. This chapter also provides limitations associated with the conduct and completion of the study, proposes implications for further research, and concludes with a closing statement.

6.2. Key Findings

The main purpose of this research is to explore whether the current HR practices are effective in the banking sector in Cambodia. If they are effective, the study then examines how effective are the HR strategic partnerships with the business. The data collection methods include online surveys and interviews with participants from four banks in Cambodia. The questionnaires were carried out to collect background information and behaviour towards HR strategic partnerships from a total of 100 respondents, of whom all are line managers, managers, or supervisors. The interviews with 10 HR Managers and HR Business Partners were also conducted to examine the actual HR system and practices with a purpose to verify and complement the findings of the survey. The data analysis from both questionnaires and interviews answered the main research question and sub-questions stated in Section 1.3 Chapter One.

The study confirmed that HR practices in the banking sector in Cambodia are effective only to a moderate extent due to a number of challenges that prevent HR BPs from effectively supporting the business. Most of the challenges identified in the Cambodian context were consistent with the literature but some were new to the literature.

The first sub-question dealt with the existence of HR strategic partnering and how HR practices are implemented. The finding was made from the interview data analysis confirming that HR strategic partnering practices do exist in the Banking sector in Cambodia; however, while some banks have had formal implementations and systems in place, some other banks are still in the process of formalising their practices. In the banks where HR partnering roles are formal and recognised, HR strategic practices are more standardized. However, all interview participants in the surveyed banks confirmed that they are somehow providing both strategic and administrative supports.
The second sub-question determined the effects brought about by HR strategic involvement with the business. The most significant finding from the survey is the positive effects on organisational performance, based on 65% of respondents’ agreement. Prior to this conclusion, there were a number of key findings on impacts contributed by HR partnerships. The participants’ agreed that HR BPs drive and improve high performance cultures (55.67%), nurture employees’ capabilities (63.92%) and employees’ affective commitment (54.64%), build a competent workforce (56.70%), contribute to a decrease in employee turnover rates and turnover intentions (31.96%), improve work productivity (68.33%), and ensure organisational effectiveness (56.70%).

The third sub-question was meant to answer what the extent of the effectiveness of current HR strategic partnerships in the Banking sector in Cambodia is. Both survey and interview results revealed that current HR practices are not as effective as they are supposed to be. Only “to a moderate extent” are the current HR system and practices considered effective. The impediments are due to a number of evident challenges that HR BPs are facing in performing their strategic roles. This finding is based on the surveyed managers’ level of agreement in accordance with the views of interviewed participants involving HR Managers and HR BPs.

The fourth sub-question was intended to determine the skills required by HR BPs to provide strategic and consulting support to the business. Data analysis from the questionnaires show that to perform an effective partnering role, HR managers must have a well-rounded knowledge of the business, possess HR competencies and capabilities as well as a set of partnering skills, and be endowed with personal attributes and excellent attitudes.

The fifth sub-question explored the challenges that HR BPs are currently facing. The interview results revealed a number of internal factors including a lack of strategic partnering experience and business knowledge, and insufficient partnering skills to perform the role. External factors incorporate line managers’ lack of accountability and capability in coaching their staff and dealing with poor performance, administrative requirements that distract HR BPs from focusing on more strategic supports, and long embedded working cultures that prevent managers from accepting and supporting change.

Ho1 was rejected because in the Cambodian banking sector, HR strategic partnering practices have been implemented with positive impacts on organisational performance. Ho2 was also rejected owing to the fact that in reality, the HR partnerships with the business are effective though to only a moderate extent. In addition, Ho3 that says partnering skills do not help HR business partners to drive organisational performance was rejected because findings showed that with the right sets of partnering
skills, HR business partners would be able to effectively perform their strategic roles in obtaining organisational goals. Ho4 was as well rejected, as there have been a growing number of challenges that HR business partners are facing and these challenges apparently prevent strategic partners from performing their roles in providing value adds contributing to the sustaining of competitive advantage. Recommendations were made based on the above-mentioned findings of the data analysis and discussion in Chapter Four and Five, together with the literature review in Chapter Two of this study.

6.3. Recommendations

The findings from this study have interesting implications for the development of new literature on strategic human resource management and for current HR practitioners at any professional level. Focusing on Area 5 raised in Section 1.3 Chapter One, the recommendations for HR business partners, HR leaders, and the organisations are:

• HR Business Partners should be prepared to overcome the internal factor of challenges by uplifting their HR partnering skills and HR competencies through comprehensive training on HR partnering and HR BPs clubs should exchange knowledge and share new experiences among themselves.

• HR Business Partners should improve their business knowledge by taking part in management meetings with the business to be aware of the goals of the business

• HR Business Partners should sit down with line managers and department heads on a regular basis to hear their difficulties so as to understand their needs

• HR Departments should provide clarity on HR practices to relevant stakeholders to make sure that the true value of HR partnerships are being well recognised

• HR Business Partners should engage and empower Line Managers to take accountability through regular coaching sessions

• HR Departments should provide refresher briefings on HR strategic partnering to ensure that both existing and new managers are well aware of the system and practices. From the data analysis, there is no briefing for new managers on HR strategic partnerships

• HR Business Partners and HR Leaders should work in partnership with the business to lead change, ensuring positive results with minimal impacts as a result of change.
6.4. **Strengths of the research**

There were two groups of participants in this research – line managers and HR leaders. Line managers in this study are those who receive HR services directly from the HR business partners who work to provide strategic support and work in partnerships with the business. The researcher was able to collect information regarding the effects of HR strategic partnerships and the extent of effectiveness of current practices. HR managers and HR business partners also contributed to the collection of information on the challenges that they were facing in performing their strategic roles.

Also, in ensuring reliability of the collected data, the interviews were done separately and individually on a one-to-one basis in order to avoid peer pressure during the dialogue. Interviewed participants, therefore, were confident in answering freely to the questions on the intended study.

6.5. **Limitations of the research**

There were some limitations during the research process of this study.

First of all, the study was conducted at some banks that were quite new to the concept of HR strategic partnering where practices have not been formalised yet; therefore, there is a possibility that the participants provided their opinions about the effects of HR strategic involvement based on what they think might be instead of what they actually are. The validity of the study might increase if the research was done at the institutions where HR strategic partnerships are parts of their formal practices.

Secondly, “The effects of HR strategic partnerships” is the first research to have been conducted in Cambodia in the context of the banking sector; thus, there is no other research that the researcher can compare or contrast to in the same context.

Thirdly, the collection of data was done in Cambodia with a constraint of time. It took the researcher about three months to finish the data collection resulting in delay in writing up a report of this research. The delay began with the process of obtaining the consent from each participating bank. Due to their workload and urgency of the business, there were delays and some hiccups during the data collection. As a result, the researcher had to make sure that all necessary and relevant data was collected. Together with the fact that, the study used mixed methods of data collection, which incorporated a huge amount of both qualitative and qualitative data, there might be some data that were left unattended by the researcher.
6.6. Future research opportunities

Future research extending the results of the study is proposed as follows:

There were only four participating banks in this research, so future research is suggested to involve more banks and financial institutions who can bring dynamic concepts of strategic HRM practices. Also, once there is more research being conducted in the context of the Cambodian banking sector, the new research findings will allow comparisons and contrast with the results of this survey, contributing to the more precise information regarding the practices of HR strategic partnerships and its impacts on the business performance.

Last but not least, from the recommendations outlined in Section 6.2 above, the Head of Human Resources of the surveyed banks can conduct further research in their respective bank to investigate their HR effectiveness and efficiency from the perspectives of both line managers and HR business partners.

6.7. Concluding statement

It has been concluded that Strategic Human Resource Management and HR partnerships with the business have positive impacts on organisational performance. This research showed that the application and implementation of strategic human resource management and HR strategic partnering have not been widely adopted in the Cambodian banking sector. Of all the surveyed banks, some had formal practices of HR strategic partnerships with the business; while, in some other banks, there are only HR managers who regard themselves as HR business partners and perform the so-called HR BP roles without having proper HR BP practices in place.

In addition, this study found out that current HR managers and HR business partners had limited knowledge and did not have sufficient HR partnering skills and competencies to perform an effective partnering role. It was also discovered that current practices appeared to deal more with administrative than strategic supports. However, promising results were found indicating that HR leaders had been aware of the effects of HR strategic partnerships and were keen to improve the current practices to ensure HR effectiveness and efficiency.

Being the first study on the effectiveness of HR strategic partnerships in the Cambodian banking sector, it contributes to the verification on the existence of current HR strategic practices and provides unique findings in the context of Cambodia to the literature. Although there are certain actions to be done in order that HR Business Partners may effectively drive organisational effectiveness, the researcher strongly hopes that this study will provide an empirical report that will raise the awareness
of the importance of HR strategic partnerships with the business in the banking sector and the benefits of overcoming the challenges that the HR Business Partners are facing.

REFERENCES


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Vann, C. (nd.). An overview of banking sector of Cambodia. Retrieved from http://thailand.nlambassade.org/binaries/content/assets/postenweb/t/thailand/nederlandse-ambassade-in-


APPENDICES:

APPENDIX 1: QUESTIONNAIRES

QUESTIONNAIRE

The effects of HR strategic partnerships on organisational performance in the Cambodian banking sector

All data collected from this questionnaire are anonymous. Information collected in this study will not be disclosed to anyone under any circumstance.

Please answer the following questions by circling or ticking where applicable.

I. DEMOGRAPHICS AND GENERAL QUESTIONS ABOUT WORK

1. Please indicate your gender.
   
   A. Male
   
   B. Female

2. Which of the following age group do you belong to?
   
   A. Below 19 years
   
   B. 19 - 23 years
   
   C. 24 - 29 years
   
   D. 30 - 39 years
   
   E. 40 - 49 years
   
   F. 50 and above

3. What is the highest level of education you have completed?

   A. Diploma
   
   B. Bachelor’s Degree
C. Post Graduate Diploma
D. Master’s Degree
E. PhD
F. Other (Please specify)____________________

4. Which income range describes your monthly personal income?
A. Below 1000 USD
B. 1,000 – 1,999 USD
C. 2,000 – 2,999 USD
D. 3,000 – 3,999 USD
E. 4,000 – 4,999 USD
F. 5000 USD and above

5. Please indicate which of the following best describes your current position.
A. Entry level
B. Supervisory position (Team leader)
C. Line Manager
D. Manager
E. Top management
F. Other (Please specify)____________________

6. How many YEARS have you worked for your current employer?
A. Less than a year
B. 1-3 years
C. 4-6 years
D. 7-9 years
E. 10-12 years
F. More than 12 years
7. What is the TOTAL YEARS of work experience you have in the banking sector?
   A. Less than a year
   B. 1-3 years
   C. 4-6 years
   D. 7-9 years
   E. 10-12 years
   F. More than 12 years

8. Which category below indicates the size of your organisation?
   A. 100 or fewer employees
   B. 101 - 300 employees
   C. 301 - 500 employees
   D. 501 - 700 employees
   E. 701 - 900 employees
   F. More than 900 employees

9. Do you have a designated HR strategic partner to your department?
   A. Yes
   B. No
II. THE EFFECTS OF HR PARTNERSHIP

Please indicate your degree of AGREEMENT/DISAGREEMENT with each of the following statements about the EFFECTS of HR strategic partnerships on organisational performance. Please tick a response for each item.

<table>
<thead>
<tr>
<th>10. The HR strategic partnership contributes to:</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a). the improvement of high performance cultures</td>
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<td>(b). the nurturing of employees’ capability</td>
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<tr>
<td>(c). the nurturing of employees’ affective commitment</td>
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<td>(d). enhancement of competent workforce</td>
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<td>(e). a decrease in employee turnover rate/turnover intentions</td>
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<td>(f). the establishment of talent management framework</td>
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<td>(g). effective organisational change management and development</td>
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<td>(h). an increase in productivity</td>
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<tr>
<td>(i). organisational effectiveness</td>
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<td>(j). positive impacts on organisation performance</td>
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</table>
III. THE EFFECTIVENESS OF CURRENT HR PARTNERSHIPS

Please indicate your degree of AGREEMENT/DISAGREEMENT with each of the following statements about the EFFECTS of HR strategic partnerships on organisational performance. Please tick a response for each item.

<table>
<thead>
<tr>
<th>11 (a) The HR Strategic partner/ HR Department has effectively:</th>
<th>To A Very Great Extent</th>
<th>To A Great Extent</th>
<th>To A Moderate Extent</th>
<th>To A Little Extent</th>
<th>To No Extent</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a). identified talents</td>
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<tr>
<td>(b). identified performance gaps</td>
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<tr>
<td>(c). addressed competency and skill gaps through training and development</td>
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<td>(d). Implemented talent management strategies</td>
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<td>(e). Aligned performance management processes</td>
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<td>(f). driven employee engagement</td>
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<td>(g). managed turnover intentions</td>
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<td>(h). aligned the organisational effectiveness</td>
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<td>(i). managed change processes associated with cost reduction initiatives to minimise productivity impacts</td>
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<td>(j). driven high performance cultures</td>
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</table>
11 (b). To what extent do you agree that the current HR business partnering is effective?

A. To a Very Great Extent
B. To a Great Extent
C. To a Moderate Extent
D. To a Little Extent
E. To No Extent

IV. ASSESSMENT OF CURRENT HR PARTNERSHIPS

Please indicate your degree of AGREEMENT/DISAGREEMENT with each of the following statements about your current HR Strategic Partner/HR Department. Please tick your response for each item.

<table>
<thead>
<tr>
<th>12. About the HR Strategic Partner/HR department:</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a). The focus of HR is on partnerships with internal customers</td>
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<tr>
<td>(b). HR strategy is aligned with corporate strategy</td>
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<td>(c). HR is an important partner in the formulation and implementation of our business strategy</td>
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<td>(d). The HR Strategic partner/HR Department has an influence on my department’s decision making</td>
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<td>(e). The HR Strategic partner/HR Department is an emergency responder, that is, timely, proactive, and flexible</td>
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<td>(f). The HR Strategic partner/HR Department is fully equipped with the skills needed to work in partnerships with the business</td>
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<td>(g). The HR Strategic partner/HR Department understands the needs of the business</td>
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<tr>
<td>(h). The HR Strategic partner/HR Department understands employees’ competencies</td>
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<tr>
<td>(i). The HR Strategic partner/HR Department addresses employee skills gaps</td>
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<tr>
<td>(j). The HR Strategic partner/HR Department involves in performance management processes</td>
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</table>
V. THE SKILLS NEEDED FOR HR STRATEGIC PARTNERS

In your organisation, how important would you say the following competencies, skills, and attributes are for the HR strategic partners to effectively drive organisational performance. Please tick a response for each item.

Thank you very much for your participation.
APPENDIX 2: INTERVIEW QUESTIONS

SEMI-STRUCTURED INTERVIEW

Good Afternoon!

My name is Chanthy. I am from Unitec New Zealand and I am conducting a study on the effects of HR strategic partnerships with the business on organisation performance in the Cambodian banking sector.

It will take you between 30-45 minutes to respond to the questions in this interview.

Please be informed that the participation in this interview is totally optional and voluntary. You can withdraw at any time, or choose not to answer some, or all of the questions during the interview. However, by deciding to complete this interview will contribute a valuable part to this research.

Please be reassured that your name and information that may identify you will be kept confidential. All information collected from you will be stored on a password-protected file and only you, I, and my supervisor will have access to this information.

THEME: What are the effects of HR strategic partnerships on organisation performance? In implementing HR strategic partnering practices, are there any challenges? What are the skills and attributes necessary for HR business partners to effectively drive the organisation performance?

- Are you an HR strategic partner to any business/department?
- What is/are your role(s)?
- Are you supporting the business strategically? Please explain.
- Do you think the current HR practices in your organisation are effective?
- Are the HR practices in the Cambodian banking sector effective?
- What are the effects of HR strategic partnerships with the business on organisation performance?
- In implementing HR strategic partnering practices, are there any challenges?
- What have you done to overcome these challenges?
- What do you think are the skills required to effectively perform an HR business partner role?
- Have you got all the skills required?
- Do you have any expectation to improve your HR services in your organisation as well as in the Cambodian banking sector as a whole?
APPENDIX 3: INFORMATION SHEET

Identifying the effects of HR partnerships with the business on organisation performance in the Cambodian banking sector.

My name is Chanthy Chui and I am a Master of Business student at Unitec New Zealand. Part of my degree programme involves a research paper on a subject of my choice. My research topic looks at the effects of HR strategic partnerships with the business on organisation performance in the banking sector in Cambodia. I have the approval of the Department of Management and Marketing, Unitec Institute of Technology to carry out the research.

**What we are doing**

I want to find out whether the current practices of HR strategic partnering are effective. If they are, the study will determine the effects of HR business partners and the challenges that HR business partners are facing in driving business performance.

**What it will mean for you**

I would like to ask you to answer the questions on the effects of HR strategic partnerships. I would appreciate it if you could meet with me for about 30 to 40 minutes to talk about the questions on the interview schedule. I will visit at your convenient time as pre-arranged between us. I will record the interview upon your permission and will use it as a backup later. All features that could identify you will be removed and the recorded audio file during interviews will be kept in a folder with password protected for 5 years and then destroyed.

If you agree to participate, you will be asked to sign a consent form. This does not stop you from changing your mind if you wish to withdraw from the project. However, because of our schedule, any withdrawals must be done within 2 weeks after we have interviewed you.
Your name and information that may identify you will be kept completely confidential. All information collected from you will be stored on a password-protected file and only I – the researcher and my principle supervisor will have access to this information.

Please contact us if you need more information about the project. At any time if you have any concerns about the research project you can contact my supervisor:

My supervisor is Dr Andries Du Plessis, phone 815 4321 ext. 8923 or email aduplessis@unitec.ac.nz

UREC REGISTRATION NUMBER: (2014-1048)

This study has been approved by the UNITEC Research Ethics Committee from (date) to (date). If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162. Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
APPENDIX 4: PARTICIPANT CONSENT

PARTICIPANT CONSENT FORM

Research Project: The effects of HR partnerships with the business on organisation performance in the Cambodian banking sector.

I have had the research project explained to me and I have read and understood the information sheet given to me.

I understand that I do not have to be part of this if I do not want to and I may withdraw at any time prior to the completion of the research project.

I understand that everything I say is confidential and none of the information I give will identify me and that the only persons who will know what I have said will be the researchers and their supervisors. I also understand that all the information that I give will be stored securely on a computer at Unitec for a period of 5 years.

I understand that my discussion with the researcher will be taped and transcribed.

I understand that I can see the finished research document.

I have had time to consider everything and I give my consent to be a part of this project.

Participant’s Signature:……………………………………. Date:……………………………………

Project Researcher: Chanthy Chui Date:……………………………………
UREC REGISTRATION NUMBER: (2014-1048)

This study has been approved by the UNITEC Research Ethics Committee from June 2014 to June 2015. If you have any complaints or reservations about the ethical conduct of this research, you may contact the Committee through the UREC Secretary (ph: 09 815-4321 ext 6162). Any issues you raise will be treated in confidence and investigated fully, and you will be informed of the outcome.
Organisational Consent

I, *(Name)*, Head of Human Resources of *(Name) Bank Cambodia* give consent for *Chanthy Chui* to undertake research in this organisation as discussed with the researcher.

The consent is subject to approval of research ethics application by the Unitec Research Ethics Committee and a copy of the approval letter being forwarded to the organisation as soon as possible.

Signature:

Date: