An Empirical Study of the HR Professionals’ Effectiveness in the Largest Privatized Bank of Pakistan

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Abstract
This ongoing study examines the human resource (HR) professionals’ effectiveness through the lens of HR professionals’ competencies and HR professionals’ willingness at the large privatized bank in Pakistan. The Human Resource Competency Study (HRCS) model is used in this research. Impact of HR professionals’ social and technical competencies and HR professionals’ willingness on their effectiveness is examined. The analysis reveals that the HR professionals’ social competencies have a higher significant correlation with HR professionals’ effectiveness than the HR professionals’ technical competencies and their willingness. At the outset it is also concluded that the HR professionals of the bank are lacking the competencies and hence have a negative impact on their effectiveness in the banking sector of Pakistan.

Keywords: HR competencies, HR effectiveness, willingness

1. INTRODUCTION

During the 21st century, the human resource management (HRM) function is experiencing unprecedented changes. Abdullah and Sentosa (2012) argue that the intensity of the globalization has forced the human resource (HR) professionals to re-examine the practices and change accordingly. Ulrich et. al., (2009) have reiterated that business challenges have become more complex because of globalization of markets, products and services. The changes in information and communication technology have also created more competition because of customers and suppliers’ awareness and thus demand higher level of skilled workforce in the organization. Ulrich et. al., (2012) argue that HR professionals only become effective when they create value by increasing the performance and agility of the employee and organization through their competencies.

Yusoff et. al., (2009) have studied HR professionals’ effectiveness in Malaysian organizations and stated that one way to minimize the HR professionals’ effectiveness gap is to develop a liaison between HR managers and line managers. This liaison allows HR professionals to understand the professional needs of the line managers, which in turn enables HR professionals to be a more value-added resource.

1.1 Banking sector of Pakistan and HRM

Human resource management has not been well-established in the banking sector of Pakistan. Janjua (2003) argues that the failure of a single bank can lead to the failure of the entire economy. Because banks play a vital role in shaping up the economy of any country, the core function of banking is to bring financial stability. In the 10 year strategy paper for the banking sector reforms, the State Bank of Pakistan (2008) mentioned that one of the issues and constraints in Pakistan is that bankers consider the lack of competencies of HR as the major limitation for growth of the financial sector.
1.2 Purpose and significance of the study
The purpose of this study is to understand better the relationship of HR professionals’ social competencies, technical competencies and HR professionals' willingness with HR professionals’ effectiveness. This study will attempt to provide new insights into the body of knowledge and practice of HR professionals’ competency in the banking sector of Pakistan. This study may also be taken as a benchmark for the banking sector of other developing countries like Bangladesh and Sri Lanka. Moreover, this study will be a significant initiative in the development of the HRM as a profession in developing countries like Pakistan and as such will contribute to the HRM body of knowledge of Pakistan and South Asia.

2. LITERATURE REVIEW

2.1 HR professionals’ effectiveness
HRM effectiveness is often mentioned as HRM’s contribution to a firm’s performance (Ruel et.a., 2007). The knowledge, skills, and capabilities of professionals who develop and implement HRM practices have not been thoroughly studied within Asia. Han et.al., (2006) argued that HRM as a management field is in its relatively early stages in Asia compared to the western countries. They have focused on various issues such as measuring the managerial effectiveness, examining the process of ensuring managerial effectiveness and building models of managerial effectiveness (Sharif et.al., 2011). Aitchison (2007) pointed out that the main obstacle for HR professionals to perform effectively in the organizations is their lack of competencies. Grossman (2007) highlights that those HR professionals, who would have succeeded 30, 20, even 10 years ago, are not as likely to succeed today. They are expected to plan new roles. To do so, they will need the new competencies.

2.2 Ulrich Model of HR competencies
When competency models were incorporated into the HR discipline, the task of defining the relation between competencies and performance was dominant (Ulrich and Yeung, 1989; Brewster et.al., 2000). According to Caldwell (2010) this was certainly true of the most dominant of HR professional competencies model initially developed by Ulrich and his colleagues at the University of Michigan (Yeung et.al., 1996). But over the years the model has undergone numerous updates and revisions (1987, 1992, 1997, and 2002) as depicted in Figure1.

In the beginning it was proposed that there were three important HR professionals’ competencies, regardless of the job role or title i.e. ‘change management, ‘functional expertise’ and knowledge of the business. After that research findings suggested that there were two more additional essential competencies: ‘culture management’ and ‘personal credibility’. After that this model was modified into five competencies namely; organizations strategic contribution, personal credibility, HR delivery, business knowledge and HR technology. The recent modification of HR professionals’ competencies by Ulrich et.al., (2007) and have suggested six competencies domains as credible activist, cultural and change steward, talent manager/organizational designer, strategic architect, business ally, and operational executor. Ulrich et al., model (2007) is more relevant to the current business environment and is directly related with the HR professionals in the 21st century. The researcher looks at HR professionals’ competencies through the lens of Ulrich et al., (2007) model. These HR professionals’ competencies are broken out into two, namely social and technical competencies. The HR professionals' competency model is depicted in Figure 2.
2.3 HR professionals’ willingness
Katz (1964) argues that activities and roles can be performed more innovatively if employees are willing. According to Smith and McLaughlin (2004), willingness factor has not been emphasized in organizational knowledge based work management activities. Currie and Kerrin (2003) claim that employees’ lack the willingness and motivation to contribute their knowledge if competent managers are not appraised fairly resulting in project failures. One of the ways for HR department to add value into the organization is, if HR professionals are willing to actively...
contribute to implement the HRM strategies through their competencies to achieve comparative or competitive advantage.

2.4 Relationship between HR competencies, willingness and HR professionals’ effectiveness

According to Ahmad et al., (2012) the word ‘Will’ is associated with intrinsic motivation to be effective or not. Analoui (1998) found his study that competencies alone cannot be adequate for managerial effectiveness there is also a need of willingness of employees which plays a vital role for their effectiveness. Kessler (1995) states that lack of competent HR professionals has been noted to contribute to the lack of HR professionals’ effectiveness. Huselid et al., (1997) found that overall HRM effectiveness increases when the HR professionals have certain competencies. According to Brockbank (1999) HR professionals have to obtain the competencies if they desire to become highly effective. Currie and Kerrin (2003) claim that when employees lack the willingness and motivation to contribute their knowledge it ultimately results in project failure. Analoui (1999) indentifies through empirical investigation that managers’ effectiveness can be explored through their willingness. Ahmad et al., (2012) argue that the one way a HR department can add value for the organization, if HR professionals be willing to actively contribute to HRM strategies implementation. HR professionals need to be willing to actively develop the skill set they require in order to become effective as shown in Figure 3.

HR professionals’ Competencies (Capability)  
Willingness  
Best Fit  
HR Professionals’ Effectiveness

Figure 3: Conceptual Model

3. RESEARCH MODEL

HR professionals’ effectiveness is envisaged as a self-reinforcing mechanism of three interacting dimensions i.e. willingness, capabilities / competencies and their roles such that all dimensions function in harmony. The researcher plans to look upon the three constructs / dimensions as the antecedents of HR professionals’ effectiveness and plans to examine the relationships among them. The capability /competency construct is divided into social-based and technical-based competencies. Social-based competencies focus on the relationships and interpersonal understanding among employees of the organization while the technical-based competencies are employed to design and develop the organizational HR structure, system and processes. The researcher plans to measure validity and usability of Smith and McLaughlin’s model (2004) of performance by incorporating the Ulrich, et al. human resource competency model (2007) for HR professionals’ effectiveness. The researcher’s objective is to identify the link between HR professionals’ effectiveness and the behavioral and cognitive antecedents at an individual level, the proposed model is presented in Figure 4.
The variables tested are HR professionals' effectiveness (alpha = .935), Credible activist (alpha = .853), Talent manager/organization designer (alpha value = .889), Culture and change stewards (alpha value = .940), Strategy architect (alpha value = .964), Business ally (alpha value = .889), Operational executor (alpha value = .898) and HR professionals’ willingness (alpha value = .942). The generally agreed Cronbach’s alpha is 0.60 as an acceptable reliability coefficient (Sekaran, 2005). It was found that the overall Cronbach Alpha of the instrument is 0.985 and the entire scale variables used in the research instrument are acceptable within acceptable limits.

4. DATA COLLECTION AND ANALYSIS

The survey questionnaire for the present study is drawn from the previous researches (Sharif & Ahmad, 2009; Ulrich et al., 2007 and Han et al., 2006) and is adapted through appropriate modification that is suitable for the Pakistani context which will help to establish its ecological validity and reliability. The questionnaire comprised of four parts namely; Part I) personal information of the respondents and background section with 6 items; Part II) The HR professionals’ effectiveness as perceived by the line managers contains 11 items; Part III) HR professionals’ competencies and HR professionals’ willingness as perceived by the line managers comprises total 65 items. Therefore, the survey questionnaire contains total 82 items to achieve the objective of the study.

The researcher started data collection for this present study by distributing questionnaires to managers individually (permanent full time) with the large local privatized bank in Pakistan. The researcher has contacts and they formed the first tier of Snowballing references.

Most of the respondents (40%) are Operation managers, responsible for managing the day to day affairs in their branch, (33%) are the branch managers. Customer relation managers as well as credit managers accounted for 16.7% and 10.0 % respectively. With respect to the
respondent age, majority that is 36.7% of the respondents are more than 50 years of age while those between 30 to 40 years of age are 26.7% and between 41 to 50 and less than 30 years are 23.3% and 13.3% respectively. 53.3% respondents have more than 15 years work experience in the banking sector and 20% have served for 7 – 10 years while those between 11 to 15 years working experience are 13.3%. This provides prima facie evidence that most of them are well versed with the practices in their respective branch. Further as far as educational qualifications are concerned, almost 76.7% of the respondents have a Master degree with the remaining 13.3% and 10% hold Bachelor and MS/M. Phil degrees respectively. This reflects that highly educated people participated in this survey. 80% of the respondents are male while 20% are female respondents showing a good mix of gender contribution in the survey.

Table 1 shows the mean score indicates the extent of respondents’ agreement level with the variables. The variables are measured on a five point Likert scale of 1 – 5, where 1 represents “Strongly Disagree” and 5 “Strongly Agree”. In this regard, any scores that are below the midpoint (3.00) can be considered as low agreement of the respondents. Mean scores between 3.00 to 3.50 can be seen as indicator of moderate agreement, and the mean scores above 4.00 to 5.00 can be considered as the indication of strongly agreement with the statement.

<table>
<thead>
<tr>
<th>Constructs</th>
<th>N</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>HR Professionals' Effectiveness (HRPE)</td>
<td>30</td>
<td>2.56</td>
<td>.734</td>
</tr>
<tr>
<td>Credible Activist (CA)</td>
<td>30</td>
<td>2.89</td>
<td>.688</td>
</tr>
<tr>
<td>Talent Manager/ Organization Designer (TMOD)</td>
<td>30</td>
<td>2.82</td>
<td>.623</td>
</tr>
<tr>
<td>Culture and Change Steward (CCS)</td>
<td>30</td>
<td>2.93</td>
<td>.650</td>
</tr>
<tr>
<td>Strategy Architect (SA)</td>
<td>30</td>
<td>2.74</td>
<td>.739</td>
</tr>
<tr>
<td>Business Ally (BA)</td>
<td>30</td>
<td>2.77</td>
<td>.765</td>
</tr>
<tr>
<td>Operational Executor (OE)</td>
<td>30</td>
<td>3.08</td>
<td>.645</td>
</tr>
<tr>
<td>HR Professionals’ Willingness (HRPW)</td>
<td>30</td>
<td>2.84</td>
<td>.874</td>
</tr>
</tbody>
</table>

Table 1 shows that the highest mean score (3.08) for the HR professionals' competency is the OE. The respondents reported moderated agreement towards the operational executor. The respondents in this survey reported low agreement towards the HR professionals’ competencies (CA, TMOD, CCS, SA and BA). The mean values of all these variables are considered low, which is less than the midpoint average scores. The respondents on the other hand reported disagreement towards the HRPW. As far as HRPE (dependent variable) is concerned, it is noted that the mean value is less than the midpoint average as well. This indicates that the respondents are in disagreement level in their answering. The researcher may conclude that HR professionals’ competencies have an effect on the HRPE. This might be expected, based on the previous research, the HR professionals’ competencies influence the HR professionals’ effectiveness (Ulrich, et al. 2012).

4.1 Correlation analysis
The Table 2 addresses the relationship between HR professionals’ social competencies (HRSC) with sub constructs credible activist (CA), talent manager/organization designer (TMOD) and culture and change stewards (CCS), HR professionals’ technical competencies (HRTC) with sub constructs; strategy architect (SA), business ally (BA) and operational executor (OE) and HR professionals’ willingness (HRPW) with HR professionals’ effectiveness (HRPE). The hypotheses (H1 – H3) and their sub hypotheses are developed. These hypotheses are analyzed by using pearson correlation.
Table 2: Relationship of HR professionals’ competencies, HR professionals’ willingness on HR professionals’ effectiveness

<table>
<thead>
<tr>
<th>Construct</th>
<th>HRP</th>
<th>CA</th>
<th>TMO</th>
<th>CCS</th>
<th>HRS</th>
<th>SA</th>
<th>BA</th>
<th>OE</th>
<th>HRT</th>
<th>HRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dependent Variable</td>
<td>HRPE</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>CA</td>
<td>.801*</td>
<td>1</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TMOD</td>
<td>.640*</td>
<td>.730*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CCS</td>
<td>.577*</td>
<td>.662*</td>
<td>.749**</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td>HRS</td>
<td>.753*</td>
<td>.894*</td>
<td>.923**</td>
<td>.880*</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent Variables</td>
<td>SA</td>
<td>.531*</td>
<td>.596*</td>
<td>.620**</td>
<td>.636*</td>
<td>.685*</td>
<td>1</td>
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<tr>
<td></td>
<td>BA</td>
<td>.597*</td>
<td>.644*</td>
<td>.666**</td>
<td>.754*</td>
<td>.760*</td>
<td>.896*</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>OE</td>
<td>.611*</td>
<td>.644*</td>
<td>.660**</td>
<td>.482*</td>
<td>.669*</td>
<td>.578*</td>
<td>.567*</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>HRT</td>
<td>.635*</td>
<td>.691*</td>
<td>.715**</td>
<td>.713*</td>
<td>.784*</td>
<td>.955*</td>
<td>.950*</td>
<td>.742*</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>HRPW</td>
<td>.682*</td>
<td>.675*</td>
<td>.624**</td>
<td>.603*</td>
<td>.706*</td>
<td>.768*</td>
<td>.788*</td>
<td>.736*</td>
<td>.849*</td>
</tr>
</tbody>
</table>

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

4.2 Hypotheses testing

Hypothesis 1: HR professionals’ social competencies have a positive effect on HR professionals’ effectiveness as perceived by line managers.

H1a: Credible activist competency has a positive effect on HR professionals’ effectiveness as perceived by line managers.

H1b: Talent manager/organization designer competency has a positive effect on HR professionals’ effectiveness as perceived by line managers.

H1c: Culture and change steward competency has a positive effect on HR professionals’ effectiveness as perceived by line managers.

As shown in Table 2 HRSC have significant correlation at 0.753 (p<.000) with the HRPE. Within the sub competencies of HRSC, the CA is the highly correlation at 0.801(p<.000) with HRPE followed by TMOD at 0.640 (p<.000) and culture and CCS at 0.577 (p<.000).

Hypothesis 2: HR professionals’ technical competencies have an effect on HR professionals’ effectiveness as perceived by line managers.

H2a: Strategy architect competency has a positive effect on HR professionals’ effectiveness as perceived by line managers.

H2b: Business ally competency has a positive effect on HR professionals’ effectiveness as perceived by line managers.

H2c: Operational executor competency has a positive effect on HR professionals’ effectiveness as perceived by line managers.
As depicted from Table 2 HRTC have also significant correlation at 0.635 (p<.000) with the HRPE. Within the sub competencies of HRTC, the OE is the higher correlation at 0.611 (p<.000) among others sub constructs with HRPE. BA at 0.597 (p<.000) and SA at 0.531 (p<.003) respectively.

**Hypothesis 3:** HR professionals’ willingness is related to HR professionals’ effectiveness as perceived by line managers.

As shown in Table 2 HRPW has significant correlation at 0.682 (p<.000) with the HRPE. The above given data confirms all the hypotheses (H1 – H3) and all the constructs and sub constructs having a direct correlation on HRPE.

5. **CONCLUSION**

The finding of this study contributes to the literature on the HR professionals’ effectiveness. This study is the first of its kind to be undertaken in the Pakistani privatized banks. The study found that the HR professionals’ social competencies have a greater significant correlation with the HR professionals’ effectiveness than the HR professionals’ technical competencies and the willingness. Within the sub competencies of HR professionals’ social competencies the credible activist is the highly correlated construct with the HR professionals’ effectiveness. Furthermore, within the sub competencies of HR professionals’ technical competencies the operational executor is the higher correlation construct with the HR professionals’ effectiveness. The study also found the HR professionals’ competencies are lacking in the larger privatized bank of Pakistan. HR professionals' effectiveness was found below the expectation levels of the line managers. Furthermore, the HR professionals’ competencies and their effectiveness need to be improved further in the Pakistani privatized banks which will ultimately lead to the better performance of the banking sector. A professional value driven HR manager in the 21st century should have the essential HR competencies to further enhance the level of their effectiveness.

6. **FUTURE RESEARCH**

HR professionals’ effectiveness as an area of academic research is relatively at early stages in Pakistan. In this ongoing work, this emerging area of research shall be extended by including the other private and public sector banks in Pakistan. The result of this study can be used as a benchmark for other developing countries. This would hopefully add significant contribution to the conceptual and empirical research in this evolving area.

**References**


