Strategic Partnership: A Better Route to Human Resource Management

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Abstract: *The organization of human resources has currently supposed strategic importance in the fulfillment of organizational development and distinction. Companies and organizations are looking for ways to build a strategic partnership between employees and employers. The main objective of the study is to identify factors that help human resources become more of the strategic partner and to examine whether strategic partnership leads to organizational effectiveness or not. In order to fulfill this objective, numerous articles have been reviewed. The researchers compared and contrasted the findings of various articles to identify the common factors that contributed HR to becoming a strategic partner. The extensive review of the literature revealed that human resource planning and development are the most crucial factor for strategic partnership, while other factors do not contribute much to the strategic partnership. Regarding organizational effectiveness, most of the studies showed that HR departments that offer value by acting as a business partners are the most successful.*

I. INTRODUCTION

One of the Emerging concepts of today's business is "HR as a Strategic Partner". A number of articles, books, and studies have argued that HR needs to become Strategic Partner (Ulrich, 1997; Brockbank, 1999; Lawler & Mohrman, 2003; Mondy & Martocchio, 2016). Mondy and Martocchio, (2016) in their book Human Resource Management argue that HR professionals are taking the role of being strategic partners which help to identify

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and develop the employees necessary for excellent performance, builds recruitment systems, and training programs for product distribution, and interaction with customers, construct performance management, and structure compensation programs that would greatly incentivize these employees to excel.

A number of forces have supported the possibility of the human resource being a strategic Partner. Enterprises are going through sensational changes with huge ramifications for human resources management. It may be significant because of the rapid deployment of information technology and the rising amount of knowledge work and the quickly changing business environment and complexity of the business. These different changes have made a need for powerful human resources for the success of the business (Jackson, Hitt, & Denisi, 2003). With this, another important question has arisen that how the human resource should be managed and the major functions that human resources should be performed. From the very beginning HR's main focused area was the administrative aspect of human resource management.

As per the modern concept of HRM, HRM is itself a contributory factor in the analysis of the employment relationship. It is in its supposed transformation of styles of employee management in a specific sense, or in a broader sense it is in its capacity to sponsor a wholly redefined relationship between management and employees that overcomes the traditional issues of control and consent at work. The main emphasis during these phases was given to the fit-in between HR Strategy and Business Strategy With the intention of attaining expected results (U.S. Office of Personnel Management, 1999). Also, they integrated HRM issues into their strategic plans which helped to recruit workers who were job fit and reduced training costs. Strategic implementation of HR issues helped in the management of employees and investment in high-quality employees.

Thus, with time the focus of HRM has changed. Coming to current days, Modern HRM focus has been shifted to Strategic and Partnering HRM. The Strategic Partnership perspective of Human Resource Management is the practice of attracting, developing, rewarding, and retaining employees for the benefit of both the employees as individuals and the organization as a whole. HR departments that practice strategic HRM do not work independently rather they interact with other departments, understand goals and create strategies that align with those objectives. It is seen as a partner in organization's success as opposed to the necessity for legal compensation. Strategy HRM utilizes the talents and opportunities to make the whole stakeholder of the organization stronger and more effective. Srivastav and Chetty (2020) found strong support for the importance of strategic partnerships in contemporary organizations.

Ulrich (1997) argued that the HR function needs to become strategically proactive and that human resource needs to go beyond administrative expertise and be an expert in a strategic business partnership, change management, and employee advocacy. Wright, Dyer & Takla (1999) argued much the same thing in their HRPS-supposed report in which they found that there is a growing consensus in support of Ulrich's model and Mohrman (2006) argued that human resources should take more of a strategic partnership role.

Lawler and Mohrman (2003) suggested that strategic human resource management linkages with the designing and planning of organizational development, human resource planning, organizational development, organizational design, strategic planning, compensation and benefits, employee development, recruitment, and the selection and human resource information system. Similarly, Ulrich (1997) and Wright, Dyer and Takla (1999) also suggested the same functions of management to make strategic partners to human resources.

Haridas (2008) stated that the very intangibility of human capital makes it so difficult to measure and evaluate making it a strategic asset. The scenario is still ambiguous that how the strategic partnership role of human resources help achieve strategic success because of the unavailability of proper tools. In the same vein, Cappeli and Singh (1992) and Becker and Huselid (2003) also found ambiguity in the results after the application of the strategic partnership role of human resources in organizations. Few studies Gautam (2008; 2015) and Shrestha (2019) have undertaken studies in strategic HR but not on the strategic role of human resource management. Thus, this study may add to the literature in the field and might create a foundation for further study.

II.LITERATURE REVIEW

The HR functions are progressively making huge commitments to building an organization that has been prepared by the right human resources to really complete the designed work developed by the firm and to empower the achievement of business procedures. It does this by creating competency models and by focusing on selecting, staffing, and developing people. A number of studies (Ulrich 1997; Lawler & Mohrman, 2003; Becker & Huselid,1999; Yusuf, Fidyawan & Wekke, 2017) have shown the potential for the HR functions to be a strategic partner and found it can be value-added functions for any organization.

Becker and Huselid (1999) found that there is a relationship between HR practices and firm performance. Firms with the greatest intensity of HR practices that reinforce performance had the highest market value per employee. HR practices are critical in determining the market value of the corporation. Thus, their study showed that the best firms are able to achieve both operational and strategic excellence in their HR system and functions. Ulrich (1997) stated that HR functions need to become strategically proactive. HR needs to go beyond administrative expertise and be an expert in strategic business partnerships, change management, and employee advocacy. Lawler and Mohrman (2003) focused on practice, structure, and activities that determine the effectiveness of HR, with particular attention to the development of a business partner and business strategy capability within the HR functions. The result support strongly for HR taking on more of a strategic partner role. Recent studies have shown some little changes in its activities and structure. It is true that information technology may be able to free up HR from some of the routine tasks. However, it is not clear that HR is becoming more of a strategic partner by its use. There is no doubt that it gives lots of advantages but

whether HR functions are capable of identifying and implementing the changes that are required to support the new roles and business needs. Lawler and Mohrman (2003) found that developing a true partnership requires the HR functions to place a greater focus on planning, organization design and development along with various approaches where professionals operate in proximity and partnership with the line and develop a board and deep understanding of HR issues. The studies showed very little change in practice in the organization.

Schuler and Jackson (1987), Cappelli and Singh, (1992), and Delery and Shaw (2001) revealed that strategic involvement of human resources is a solution to managing human resource problems. Becker and Huselid (2003) confirmed that firms can seal up long-term competitiveness for the organizations by creating valuable competencies. Human resource is a stronger resource for creating competitiveness than other resources. The knowledge, orientation, training, reward system, etc. contribute to developing effort and skill. Mamun, Islam and Shamima (2022) found that the strategic partner should ponder on making long-term strategic planning, reducing excessive bureaucratic formalities, and quantifying outcomes.

Gautam (2015) found that the formation of explicit mission and business strategies indicates that around half of the organizations are doing business without a strategy and just one-fourth of organizations formulate explicit human resource strategies in order to support business strategies. Shrestha (2019) found a positive relationship between retention strategy and performance. Nepalese financial sector organizations are implementing human resource management practices well.

The myriads of studies were conducted using the qualitative and quantitative approach of research in the issue of strategic human resource management role. The studies found the perfect relationship between strategic partnership in human resource management and human resource practices followed by the varied sectors of the organizations. Very few studies were conducted in strategic human resource management in Nepal but no studies were found on the strategic partnership role of human resource management.

III. METHODOLOGY

The study has followed a Qualitative Systematic Review. The resources related to the issue available in the literature archives available in Nepal were collected and reviewed. Various available articles have been reviewed and drawn conclusions based on the literature review. The article is a review-based article. The systematic review method has been adopted for drawing the conclusion of the research. The available prominent articles were reviewed for the development of the article.

VI.ANALYSIS

Lundy (1994) concluded that strategic partnership supports managing human resource activities and is taken as a significant frontier that offers great opportunities to

Table 1

Synopsis of Major Literatures

Titles and Authors	Year	Objective	Methodology Used	Findings
Strategic Human Resource Management in Five leading firms((Becker & Huselid)	1999	To describe HRM strategies employed by firms known to be leader in the management of people.	Qualitative method: Interviewed more than 60 senior executives across the five companies	Value added HR functions required HR manager that understand human capital implication of business problems. With better strategic HR employees become more competitive and have higher performance.
HR as a strategic partner: What does it takes to make it happen?((Lawler III & Mohrman,)	2003	Whether spending more time on strategic partner activity is associated with HR functioning being more effective	Quantitative method (Survey through online questionnaire)	Developing a true partnership requires HR function to place a greater focus on planning, organization design and development.
Human Resources as Strategic partner; Source of sustainable competitive advantage((Abdulla, et al.)	2014	To review the strategic role played by Human Resource Department.	Quantitative research: Survey conducted in 140 medium and large Bangladeshi firms.	Time focus, red-tapism and quantifiability of HR outcomes' directly influence the strategic performance of HRD.
Ulrich Model on Practices of Human Resource Strategic Roles((Yusuf, et, al.)	2017	Analyze the relation within four roles of "Ulrich's strategic human resource as a strategic partner, administrative expert, employee champion and change agent".	Descriptive quantitative: 43 professionals in all levels of department of human resources.	Implementation of four-roles of human resource should be increase, especially the strategic partner role of employee. This can get employee and manager to share information in the organization.

advance understanding of the management of the human resource. Similarly, Yesmin, Bozkurt, and Ertensir (2014) found a relationship between strategic partnership human resource management practices and human resource development and strategic planning. The analysis has been made based on the available literature in Nepal.

Designing and Planning Organization Development

Organization Development and Design is the process of organizing people with a structure that will support the mission, goals, and activities of an organization in order to operate more efficiently and effectively (Wayne and Joseph, 2003). This implies that organization planning and designing not only deals with the in-hand task but it assigns roles and responsibilities to the human resources according to their skills and capabilities. Continuous improvement will surely help the company to achieve its objective in the best possible way.

Human Resource Planning (HRP)

Human resource planning (HRP) is a strategy used by a company to maintain a steady stream of skilled employees while avoiding employee shortages or surpluses. In HR planning companies forecast the demand and supply of human resources over a period of time mainly a year. Various forces like political conditions, economic conditions, and business cycles are considered to determine the current availability and need of human resources in an organization There are four general steps in the HRP process; identifying the current supply of employees, determining the future of the workforce, balancing between labor supply and demand, and developing plans that support the company's goals (Ulrich, Younger & Brockbank, 2007).

Organizational Development

Organizational development refers to a long-range effort to improve an organization's problem-solving capabilities and its ability to cope with changes in its external environment with the help of external or internal behavioral-scientist consultants, or change agents, as they are sometimes called *Wendell French*. It refers to the development of individuals in an organization to prepare them for higher positions. It is a continuous process of self-development by gaining knowledge, and skills for career growth. It is a system-wide application and transfer of behavioral science knowledge to the planned development improvement, and reinforcement of the strategies, structures, and processes that lead to organizational effectiveness. It involves intervening in its processes, structure, and culture; there is a strong emphasis on organizational behavior, human resource development, and organizational change (Lawler III & Mohrman, 2003).

Organizational Design

Organizational design is the process of aligning the structure of an organization with its objectives, with the ultimate aim of improving efficiency and effectiveness. Work can be triggered by the need to improve service delivery or specific business processes, or

as a result of a new mandate. Human resource plays an important role in organizational design. Organizational design centers on the organization's human resource need to achieve the organization's specific goal. It is a quite new area in the HR Management (Alesani & Hathorn, 2013). The organization has to be structured and managed. A healthy organization does not build unnecessary organizational layers and it supports the natural flow of information. It supports making decisions at the lowest levels of the organization and it empowers its employees. The design of the organization is the crucial condition for its success. It eliminates double work and makes processes and decisions smooth across the entire organization. The design of the organization connects many HR areas and processes into a meaningful system. The design of the organization is a healthy skeleton allowing the growth of the organization.

Strategic Planning

Strategic planning is a process in which an organization's leaders define their vision for the future and identify their organization's goals and objectives. The process includes establishing the sequence in which those goals should be realized so that the organization can reach its stated vision. Strategic planning helps in proper human resource management by helping to accurately measure the need and supply of the human resource (Mahfuz, et al., 2020). It helps in identifying required skills in human resources, and existing skills and breaching the skill gap through training and development. Strategic planning helps in the proactive approach to the identification of necessary skills in the organization and developing staff to meet those skills.

Compensation and Benefits

Compensation and benefits are the monetary and non-monetary incentives provided to the employees in return for their services. They are one of the primary tools to motivate, retain and encourage the employee. It is the best way to make the employee more competent, committed, and satisfied. As a result, employees can be exploited to achieve the strategic goal through partnership (Alesani & Hathorn, 2013). We can achieve strategic partnerships by linking compensation packages with business goals. Defining key strategic behavior that will be rewarded, both employee and organization development are enjoyed (Alesani & Hathorn, 2013).

Employee Development

Employee development is the holistic growth of the employee where skill, knowledge, and opportunities are given to the employee. A strategic partnership approach of HRM can be best achieved through the training and development of the employee (Lawler III & Mohrman, 2003). Through this step, both the employee and the company get benefits. Company strategy and planning can better gain through developing the employee by using various tools like; mentoring, job rotation, coaching, job instruction, case study, simulation, scenario planning, sensitivity training, etc.

Recruitment and Selection

Recruitment is the process of finding candidates for the post and encouraging them to apply for the post. Selection is the process of identifying the best from the pool of candidates for the particular post (Wayne, Zhong and Liden, 2016). The finding, screening, identifying, selecting, staffing, and socializing process also contribute to the strategic partnership approach of HRM.

The strategies for recruitment and selection are;

- Recruiting staff with skills and abilities that your organization needs in the coming days.
- Consider all the options for strategically promoting job openings and encouraging the suitable candidate to apply.
- Socialize the employee with the right value and culture of the company.

HR Information System

It is a software solution that maintains, manage, and processes detailed employee information and human resources-related policies and procedure. It maintains the proper records and information of employees allowing transparency in the company. Knowledge management can also be better managed through it. It brings automation to the process increasing by using information technology. It even helps to bridge the gap between available and required skills to perform the task. It frees up time in the HR organization (Lawler III & Mohrman, 2003). The transaction can be done on the system; self-service is possible and most of the manual work HR does is eliminated. Because of this greater use of information technology is associated with HR being more of a business partner. According to the article *'HR as a Strategic Partner: What does it take to make it happen'* by Lawler III and Mohrman (2003) organizations are giving more attention to factors including planning, organization design, and development. Along with that attention to employee development activities especially career planning and management development has increased in those companies that follow follows partnership approach of HRM. Tradition HR emphasized recruitment, selection, and compensation but they do not have much contributing in the strategic partnership. Thus, this article concludes that HR to be a strategic partner needs to spend more time on organization planning, design, and development. These arguments are also supported by *'Human Resource as Strategic Partner: Source of Sustainable Competitive Advantages'* which concludes that there exists a positive relationship between performance and strategic partnership.
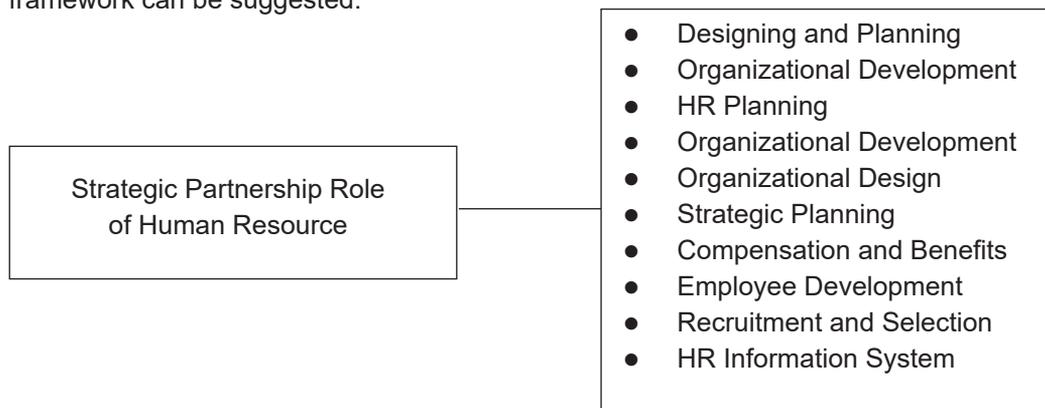
Does Strategic Partnership Lead to Organization Effectiveness?

The study (Lawler III & Mohrman, 2003) shows a significant relationship between business partnering and the effectiveness of HR. It also argues that effectiveness was measured by asking the respondent to rate a number of areas. The study shows company following a full strategic partnership is more effective in most areas of HR performance. In

absence of a strategic partner, HR is not fully informed about the need and is not doing development of skills, capabilities, and change. Thus, by increasing the HR focus on planning, developing, and designing, strategic partnership is proving itself a better route for HR management.

V. DISCUSSIONS, CONCLUSIONS, AND IMPLICATIONS

A new consensus is forming in the HR literature: HR departments that offer value by acting as business partners are the most successful. Despite the fact that the researcher concurs with this statement, the researcher believe it falls short. Based on our findings, HR functions best as a strategic business partner that actively contributes to the formulation and execution of strategy. The HR function must put more of an emphasis on planning, organization design, and development to foster meaningful partnerships. The study also necessitates a larger use of organizational techniques, in which HR personnel collaborate closely with the line and have a comprehensive understanding of HR challenges. In the top HR position, where the study has shown that putting line managers in charge of HR may act against a strategic partnership role, this simultaneous need for in-depth HR knowledge and proximity to the line is more crucial than anywhere else. Traditional HR activities, which the study and others reveal are required but insufficient for the HR function to be viewed as a productive partner in the business, are still the core expertise and orientation of the majority of HR functions. It is evident that someone needs to handle strategic human resource work given the potential and difficulties presented by the knowledge economy and the capabilities inherent in advanced IT technology. Modern HR information systems can delegate transactional duties, freeing up HR experts to perform more valuable work. More importantly, they allow HR the opportunity to gather and analyze data to learn more about the efficacy of various HR techniques and the viability of different strategic courses given the firm's human resources. The study has developed a base for further studies in the strategic partnership of HR area as it has reviewed number of prominent articles. It may help understand the concept of strategic human resource management and undertake empirical research in the future. It may also help to develop models for future researchers. As a summary of the study following framework can be suggested:

| Strategic Partnership Role of Human Resource | Designing and Planning Organizational Development HR Planning Organizational Development Organizational Design Strategic Planning Compensation and Benefits Employee Development Recruitment and Selection HR Information System |

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