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# THE DIFFERENCES BETWEEN THE MODEL AND COMPETENCIES OF THE STRATEGIC PARTNERSHIP BETWEEN HUMAN RESOURCE MANAGEMENT AND LINE MANAGERS IN NATIONAL AND MULTINATIONAL COMPANIES

Junia Botter<sup>1</sup>, Denise Gonçalves Rosa e Luciana Campos Lima

Álvares Penteado School of Commerce Foundation - FECAP, São Paulo, Brazil

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## **ABSTRACT**

The aim of this article is to compare the characteristics of the partnering model between the human resource management (HRM) area and line managers (LM) in national and multinational companies, highlighting significant differences, in particular those relating to professional competence. A survey was conducted with a sample of 99 respondents. The data collection instrument was developed based on the study of Holley (2009) and the CRANET Network (Fischer & Amorim, 2015). The data analysis consisted of two stages. In the first, Hypothesis 1 (H1) was tested by means of bivariate analysis. In the second, logistic regression was applied to test Hypotheses 2, 3, 4 and 5. No significant differences were found between the partnering models for human resource management and line managers according to the type of company. However, significant differences were identified between the types of companies in the following aspects: use of information technology, knowledge of HRM processes and the competencies required to act as a strategic partner. The aim is to contribute to the field of HRM by understanding better its strategic importance and making the partnership between HRM professionals and LM more efficient.

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### 1. INTRODUCTION

In a study conducted by Zuppani and Fisher (2016), the authors addressed the importance of performing more studies on Human Resource Management (HRM) in companies operating in Brazil, especially from a strategic viewpoint. This is due to changes in the global scenario, as HRM has a partnership with line managers (LM), is integrated with business strategy and influences the results of companies (Ulrich, Brockbank, Ulrich & Kryscynski, 2015).

One of the themes in the scope of this field, and which has grown since the year 2000 (28.72% between 2001 and 2005, and 41.19% from 2006 to 2009) in international journals is the strategic partnership between the human resource area (HRA) and line managers (Qadeer, Rehman, Ahmad &

Shafique, 2011). In Brazil, in addition to the scarcity of studies in this respect, most are not empirical (Lima & Fischer, 2013; Lima, 2016), which considerably restricts the advancement of knowledge. On the other hand, an advance has been observed in the adoption of diverse models regarding the partnership between HRM and LM in companies. For instance, 93% of the companies listed on the German stock exchange have implemented the partnering model proposed by Ulrich (Gerpport, 2015).

This movement has been more closely monitored by specialist international consultancies. In a study conducted by the Corporate Executive Board Company (CEB) in 2014, only 22% of LM required from the partnership solutions in keeping with their businesses, and 31% of the professionals that directly

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<sup>&</sup>lt;sup>1</sup> Corresponding author- Email: <u>jubotter@gmail.com</u>

serve LM are not supported by other nuclei of the HRA in strategic activities. However, despite these findings, it was estimated by the LM that participated in the study that the partnership with the HRA could improve the performance of the area by up to 25%, especially by identifying the needs of talent management. Among the relevant aspects involving the discussion of these findings, two stand out: (i) the structural characteristics and those of the scope of the HRA when adopting the partnering model and (ii) the competencies necessary to support it. Gerpport (2015) argues that companies are implementing partnering models without considering contextual nuances involved, increasing the risk of not being successful. Caldwell (2010) claims that professionals that directly serve LM do not have the necessary skills in this respect.

Given that multinational companies generally act as disseminators of relationship models, the following questions may be asked. How do companies that operate in Brazil, both Brazilian and multinational, configure their partnering models between HRM and LM? Furthermore, regarding the competencies of the professionals that act on these models, what are their fields of expertise? Do their skills vary according to the type of company, whether domestic or multinational?

Thus, the aim of this article is to compare the characteristics of the partnering model between the human resource area and line managers in domestic and multinational companies, highlighting the significant differences, especially with regard to professional competencies.

With this information, the intention is for line managers and Human Resource (HR) professionals to gain more help in designing strategies by having knowledge of how this partnership works in the current Brazilian context, making it more effective. The article also contributes to the field of HRM by providing a better understanding of the strategic importance of the field by charting the knowledge of HR professionals in domestic and multinational companies in Brazil with regard to the roles proposed in the theoretical models.

# 2. THEORETICAL FRAMEWORK

# 2.1 Basis for discussing the partnership between the Human Resource Area (HRA) and Line Managers (LM)

Several authors have argued in favor of the HRA participating in the formulation of business strategies

(Anthony, Perrewé & Kacmar, 1996; Becker, Ulrich & Huselid, 2001; Svoboda & Schroder, 2001; Hills & Rawes, 2008; Lambert, 2009; Carrière, 2014). With the same intensity, these authors have also argued that both the success and failure of the implementation of the strategy depends on the relationship between the HRA and LM, including the risk of value being destroyed (Becker et al, 2001).

Within this perspective, Dyer and Holder (1987) highlight in the relationship between HRM and LM the premise of co-responsibility between both, in other words, the primary responsibility for people strategy remains with the first line executives, but through the role of strategic business partner attributed to the HRA. In practice, this means that executives of corporate and divisional business units, as well as HR managers, should assume equal positions (Dyer & Kochan, 1994).

The HRA acting as a strategic business partner is based on the addition of roles to those already played, by restructuring processes for the area to have a greater commitment. Consequently, transnational activities can be outsourced. In this sense, the HRA becomes more proactive, monitoring the daily life of the line manager and supporting him in business decisions (Bos-Nehles, 2010).

This discussion intensified through the challenged resulting from globalization and its impacts on the construction of the value chain and the claim that this relationship model could function only in theory (Lawler III & Mohrman, 2003).

In reply, Ulrich and Brockbank (2005) attempted to correct some imbalances perceived in the process of implementing the model and defined the role of agent of change as the responsibility of the HRA. They proposed the conception of HRM as a business within the business itself, and its structure and workings should reflect the business organization as a way of creating value. Thus, HRM would be circumscribed to five functions and responsibilities: 1 – shared services center, 2 – corporate HR, 3 – business partner, 4 – center of expertise, and 5 - operational executor, without modifying the scope of activities and competencies necessary for the business partnership.

Ever since, researchers have shown increasing interest in this theme. Qadeer et al. (2011) conducted a bibliometric study and fund that, of a sample of 94 documents analyzed, over 70% were

produced since the 2000s (28.72% between 2001 and 2005 and 41.19% from 2006 to 2009).

This was in contrast with the period of 1982 to 2000, in which 29% of the studies were produced. Therefore, it is worth exploring in which different configurations the relationship between HRM and LM have been constituted.

# Table 1 Configuration of Brockbank and Ulrich (2009)

# 2.2 Different configurations in the relationship between the HRA and line managers

The model proposed by Ulrich (1997) and later improved by Brockbank and Ulrich (2009) has become a benchmark for subsequent configurations, as shown in Table 1:

	Ensures that all the work of the HRA is in keeping with the aims of the business and shaped
Corporate HR	to be in line with the organizational culture through the design of people management
	policies.
Shared Services Center	Responsible for the providing bureaucratic/operational/transactional services. requires
	standardization of processes and reduces costs while increasing efficiency by using
(SSC)	technology and allowing the use of self-service by professionals.
Center of Expertise	Tasked with transforming policies into people management practices: selection, training
(CoE)	and development, remuneration, performance assessment, career, etc.
	Generally represented by the internal consultant. These professionals related with line
	managers, sharing responsibilities regarding the results achieved. They operationalize
Strategic Partnership	practices and processes of staff within the business. They support and participate in the
	discussion of business strategy. They represent the interests of employees and implications
	of change. They measure performance of the area and professionals.

Note. Adapted from "The HR business-partner model: Past learnings and future challenges" by W. Brockbank & D. Ulrich, 2009.

In addition to this model, others have been suggested over the years, such as the configuration of Hunter, Sunders, Boroughs and Constance (2006), that of Vosburg (2007), Holley (2009) and those of Kenton and Yarnall (2010). In this case, the authors proposed four alternatives, with the first similar to that of Brockbank and Ulrich (2009). In the second, the internal consultant would act as a process consultant and, concomitantly, as a member of the center of expertise responsible for some HRA process. In the third configuration, the internal consultant is part of a small team to support the LM, involved in work processes and supported by a specialist and an adviser. In the fourth, generally used in small companies, the internal consultant takes on all the roles and scopes regarding the nucleus of expertise, consultancy and shared services.

All the aforementioned configurations have in common the requirement for a structure that monitors the new roles and responsibilities assumed by the HRA and, consequently, a group of professionals that consider the competencies necessary to support the different scopes of operations. Thus, the proposal is to test Hypothesis 1 (H1): There are no significant

differences between the partnering models between the HRA and LM according to the type of company. For operationalization purposes, H1 was split into: H1a – There are no significant differences in Corporate HRM according to the type of company; H1b – There are no significant differences in the Shared Services Center according to the type of company; H1c – There are no significant differences in the Center of Expertise according to the type of company; and H1d – There are no significant differences in the Strategic Partnership Nucleus according to the type of company.

Furthermore, an effort was made to validate whether the types of service offered by the HRA to the LM are positively related to the type of company — Hypothesis 2 (H2) —, as it addresses a structural aspect of the area and, therefore, represents a risk to the results of the partnering model. Thus, H2a is constituted: The service provided to the LM and his entire team is positively related to the type of company; H2b — Exclusive service to the LM is positively related to the type of company; H2c — Service to more than one business unit/area is positively related to the type of company; and H2d — Service to only one business unit/area is positively linked to the type of company.

Holt Larsen and Brewster (2003), Renwick (2003) and Caldwell and Storey (2007) agree that the relationship between the HRA and LM is complex, ambiguous and dynamic. In other words, there are benefits, organizational costs and risks due to the involvement of the line manager in the work of the HRA. However, despite these challenges, Qadeer et al. (2011) and Papalexandris and Panayotopoulou (2005) identified a growing trend in the establishment of these partnerships and highlighted aspects to be worked on, such as: (i) a reduced perception of the reduction of influence and power of LM; (ii) pressure on the LM to implement new practices of the HRA when faced with criticism that is not very constructive; (iii) an understanding that the main work demands are being neglected due to the activities of the HRA and, last but not least in importance, (iv) reluctance to dispute the authority of the internal consultant in certain situations.

These aspects may justify the fact that, in a study conducted by Cranet Brasil (Fischer & Amorim, 2015), in 66% of the companies in question, the HRA alone is in charge of decisions on people policy. Although this finding identifies interesting aspects of the Brazilian reality, it does not provide detailed information on the establishment of partnerships in the rest of the sample, such as findings involving the kind of company. The importance of delving deeper into findings or even seeking new evidence is especially found in the influence of multinational companies on management processes, including those related to people management.

Multinational companies are known to absorb management practices with greater facility than domestic companies, as shown in the results of the study conducted by Lima and Zuppani (2016) involving 326 companies. The authors observed that 43% of companies with headquarters abroad have a high level of partnership between the HRA and LM, and 54% have a medium level, less than companies with headquarters in Brazil. These findings corroborate the considerations of Qadeer et al. (2011). In other words, the relationship between the HRA and LM is becoming more collaborative, as HRA executives appear to be striving for a space in managerial decision-making by transforming the offices of the HRA into consultancies involved in the daily activities of LM.

In this sense, it is understood that empirical research on this subject can deepen and/or broaden the discussion of this theme at the national level. Therefore, an effort was made to identify the characteristics of the strategic partnership discussed by testing the hypothesis of equality between the aspects of domestic and multinational companies — Hypothesis 3 (H3). This

was split into: H3a – There is no difference between the representativeness of HRM in the equivalent Council or Committee according to the type of company; H3b -There is no difference between the type of decisionmaking regarding payments and benefits according to the type of company; H3c - There is no difference between the type of decision-making concerning recruitment and selection; H3d - Type of decisionmaking on training and development; H3e – There is no difference between the type of decision-making on labor relations; H3f – There is no difference between the type of decision-making on expansion/reduction of the workforce; H3g - There is no difference in the specific computerized information system of HRM according to the type of company, H3h - There is no difference between the self-service system of the manager according to the type of company; and H3i – There is no difference between the self-service system of employees according to the type of company.

# 2.3 Competencies and scope of professionals of the HRA who work directly with the LM

Wright, Stewart and Moore (2012), investigating the competencies of HRA professionals, found that the managers of the area consider the lack of competencies as the main reason for the non-achievement of goals of the CEO (Chief Executive Officer). Indeed, only 36% of the respondents stated that the organization broadly agrees with the lack of internal competence of the HRA. The authors highlight that the competencies required today and in the future have to do with leadership, management and behaviors.

In this sense, Ulrich et al. (2015) addressed six main groups of competencies: 1) the business; 2) HR tools, practices and processes; 3) HR information systems, analyses and architecture; 4) management of change; 5) organization and culture; and 6) personal aspects. Thus, the professional representing the HRA as a partner of the LM, following Group 1 (the business) must have knowledge of the essential competencies of the business and internal operations (accounting, finances, IT, etc.) and knowledge of the external factors of the company.

For the group regarding the tools, practices and processes of HR, the authors claim that the professional needs to master the use and creation of new basic tools related to HR practices.

Regarding the HR information systems, analyses and architecture, these have to do with the flow and access of information at the different organizational levels, as well as quantitative analyses of the factors that influence business and people management processes. In the role of agent of change, professionals

representing the HRA should promote institutional innovation, flexibility and adaptability as they promote competitive performance through culture and behavior, which strengthen the business strategy. Regarding personal aspects (Item 6), the authors state that professionals need to promote their credibility by showing discipline in the achievement of their proposed goals, clear and effective communication and integrity.

Regarding the partnership between the HRA and LM, Vosburgh (2007) pointed out that there are transactional and transformational parts of the HRA, both of which are highly distinct and thus requiring different competencies for each one. This perspective served as the basis for the design of the competency model promoted by the Society for Human Resource Management (2011).

Following different validation stages and involving over 32,000 professionals from around the world, the model was concluded in 2014. It identifies a detailed set of sub competencies that are clustered into nine key competencies, namely: critical evaluation, consultation, leadership and navigation, communication, global and cultural effectiveness, ethical practice, relationship management, HR expertise and, finally, business acumen.

In general, a professional must have technical knowledge (labor relations, rewards and benefits, training and development, planning and employment of the workforce) of strategic risk management and HR technology. All of this should be permeated by ethical practice, communication, critical evaluation, global and cultural sensitivity, relationship management, organizational leadership and navigation and, finally, business acumen (Cohen, 2015).

Despite the identification and evolution of the discussion on the competencies that are necessary for current requirements, Qadeer et al. (2011, p. 2515) state that:

[...] there is still a long way to go before the HRA becomes a strategic partner at all levels. For this to occur, the HRA needs to construct its own internal competencies to deal with organizational issues and offer creative and innovative solutions for issues affecting the whole organization.

This leads to the proposal of Hypothesis 4 (H4): There is no significant difference between the competencies of the HRM professional that directly serves the LM according to the type of company.

For the purposes of operationalization, the hypothesis was split into: H4a – There is no significant difference in the building of personal and professional

competencies according to the type of company; H4b -There is no significant difference in the communication of corporate initiatives, policies and procedures according to the type of company, H4c - There is no significant difference in the diagnosis and intervention of organizational development according to the type of company, H4d – There is no significant difference in the guarantee that a strategic vision is transformed into specific behavior according to the type of company, H4e - There is no significant difference in the planning of HRM and talents according to the type of company, H4f - There is no significant difference in the solving of political problems in the execution of business plans according to the type of company, H4g - There is no significant difference in the use of business insights propelling changes in HRM practices according to the type of company, H4h - There is no significant difference in the building of capacity to capitalize on organizational change according to the type of company and H4i - There is no significant change in the monitoring of trends in behavior and engagement according to the type of company.

Considering that knowledge is an important aspect when it comes to discussing competencies, Hypothesis 5 (H5) was formulated: There is no significant difference in the mastery of knowledge by HRA professionals according to the type of company.

This was split into: knowledge on recruitment and selection (H5a), training and development (H5b), remuneration and rewards (H5c), benefits and social service (H5d), management of careers and succession (H5e), engineering and medicine at work (H5f), personnel department and labor relations (H5g), performance management (H5h) quality of life at work (H5i).

# 3. METHODOLOGY

A survey was conducted using a questionnaire developed based on the works of Holley (2009) and the CRANET network (Fischer & Amorim, 2015). The materials were translated and adapted to the requirements of the present study. Prior to this, seven response levels were conducted in the form of a two-dimensional Likert scale (Likert, 1932).

The questionnaire was divided into three sections: a) demographic data; b) models of relationships between HRM and LM; and c) operation and competencies of the business partner (BP). The data were collected online over a period of six months, from August 2016 to February 2017.

The questionnaires were addressed to contact groups in the HR area of companies. The non-

probabilistic and intentional sample consisted of 99 respondents in positions varying from HR analyst to business partner. Of these, 59.6% belonged to domestic companies, and 40.4% to multinationals. Regarding size, 61.6% were large companies, 26.3% were mediumsized and 12.1% were small enterprises. Of these companies, 29.3% operate in the industrial sector, 43.4% in services, and 27.3% in other lines of business.

The data analysis was in two stages. In the first, H1a, b, c and d were tested with bivariate analysis using SPSS statistical software, version 21.

For this purpose, the chi-square statistic ( $\chi$ 2) was used. According to Hair, Babin, Money and Samouel (2005), this indicates the significance of the differences between the observed matrix and the estimated matrix. The differences between the values of companies with headquarters in Brazil and those with headquarters overseas were analyzed. To perform the test, the following premises were followed: (i) two nominal variables and (ii) number of cases > 5.

The null hypothesis was determined as the observed frequencies not being different from the expected frequencies, as the variables are independent, with no significant difference between the results of the groups compared in the study.

An alternative hypothesis would be the frequencies observed being different from the expected

frequencies. Thus, the variables are not independent and the difference between the results obtained would be significant.

In the second stage, logistic regression was used to test the other hypotheses. The relationship between the variables was investigated, one dichotomous, assuming values of zero or one. In this work, it was operationally defined for the variable y: 0 = domestic and 1 = multinational and a set of independent variables (Hosmer & Lemeshow, 2000). Regarding the premises, the absence of atypical cases and cases of high multicollinearity were observed and with the sample, despite being balanced in relation to the dichotomous variables, not permitting generalizations due to its size (Tabachnick & Fidell, 1996).

#### 4. ANALYSIS AND DISCUSSION OF THE RESULTS

Concerning the investigation on the existence of significant differences between the existence of Corporate HRM (H1a), Shared Services Center (H1b), Center of Expertise (H1c) and Strategic Partnership Nucleus (H1d), according to the type of company (domestic or multinational), the equality hypothesis cannot be rejected.

This is because in all the results of the  $\chi 2$  statistic, with  $\alpha = 0.05$  and respecting the degrees of freedom, the differences are not significant, as shown in Table 2.

Table 2
Structure of the HRA according to type of company

Variables possibly related to the type of company	Type of company			
variables possibly related to the type of company	Domestic 54.2% 49.2%	Multinational		
Existence of Corporate HRM	54.2%	72.5%		
Existence of Shared Services Center (SSC)	49.2%	57.5%		
Existence of Center of Expertise (CoE)	50.8%	62.5%		
Existence of Strategic Partners of HRM serving LM	44.1%	60.0%		

Source: Prepared by the authors based on the research data

The findings in Table 2 show the structural difference according to type of company. Although this difference did not prove to be significant in statistical terms, it enables the identification of specific characteristics. While the multinationals have a considerable investment (72.5%) in their corporate nucleus, followed by the Center of Expertise (62.5%) and in their proximity with the LM via strategic partnership (60%), the Brazilian companies seem to

invest more resources in their Shared Services Centers (49.2%) than in their strategic partners (44.1%).

Although these findings reveal differences that might affect the results of the partnering model in question, no proof was found that the role of strategic partner is being incorporated by the other nuclei, neglecting the scope focusing on the development of HRM expertise. In practical terms, the activities of the

different nuclei should not be conducted by the same person (Gerpott, 2015).

When investigating which type(s) of service is (are) positively related to the type of company, the following hypotheses were tested: H2a (serving the LM and all his team), H2b (exclusively serving the LM), H2c (serving more than one business unit/area) and H2d (serving only one business unit/area).

As shown in Table 3, only H2a was validated. In other words, serving the manager and his whole team varies according to the type of company, in this case, whether it is a Brazilian or multinational company (value of the significance of the Wald statistic for p<0.01c, sig .026 with 95% C.I.for Exp B).

Table 3

Type of service according to type of company

	В	S.E.	Wald	df	Sig.	Exp(B)	95% C.I.for EXP(B)	
							Lower	Upper
I serve the line manager and all his team	705	.317	4.965	1	.026	.494	.266	.919
I exclusively serve line managers	126	.188	.447	1	.504	.882	.610	1.275
I serve more than one business unit/area	.102	.248	.170	1	.680	1.108	.681	1.801
I serve only one business unit/area	035	.210	.028	1	.867	.965	.640	1.456
Constant	3.870	2.289	2.858	1	.091	47.940		

Source: Prepared by the authors based on the research data

The identification of the pertinent characteristics of the strategic partnership between the HRA and LM invalidated only Hypothesis H3g - HRM has a computerized system of specific HRM information. In other words, the  $\chi 2$  statistic shows a significant difference between companies with headquarters in Brazil and those with headquarters overseas, for  $\alpha$ =0.05,  $\chi$ 2=7.31>3.84 (1gl). The technology in HR systems is identified as a critical factor for the transformation of the HRA, either to collect, store or use them for decision-making or to increase efficiency and reduce costs (Stone & Deadrick, 2015).

From the data, it can be inferred that multinational companies already work better with technologies, despite the findings of Stone and Deadrick (2015) showing that a huge challenge remains in the area, especially related to communication between HR and employees (unilateral), and the fact that many of the technologies used transfer part of the work to the

administrative areas. The authors also point out the importance of using flexible technologies that enable HR to remain closer to their clients.

Based on the descriptive results, in general it was found that decisions on payments and benefits (68.8%) and labor relations (62.5%) are taken unilaterally, without consulting one of the partners. These findings show that resistance apparently remains between the strategic partner and line managers when it comes to sharing information. However, Stříteský and Quigley (2014) claim that it is essential for the strategic partner to have access to organizational information, including financial information (Njemanze, 2016) to be able to do his job and so that he can be accepted and listened to and have credibility in the eyes of the management team. Furthermore, the authors show the need to construct better HR metrics, especially those related to controls and reports, which could improve the

partnering model and strengthen the ties between partners and LM.

The findings of this study are also in keeping with those of Lima and Zuppani (2016), who found that the way decisions are made (unilaterally or in partnership) depends on the HRM practices involved, demonstrating that the degree of the relationship between strategic partners and LM is still not so strong.

In domestic companies, in decisions on training and development (46.5%) one of the partners is excluded. Furthermore, in over 70% of both types of company, shared decisions are made regarding the reduction or expansion of the workforce, and in over 60% regarding recruitment and selection. These results indicate that line management must be accepting responsibilities

beyond those directly linked to its main activity. This type of action tends to ensure the alignment of business strategies and policies of the HRA (Armstrong, 2011).

Regarding the study of the competencies of the professionals that act as strategic partners of the line managers, in the comparisons made in Hypothesis 4, only H4c was not validated; in other words, the competency of "diagnosis and intervention of organizational development", in which the  $\chi 2$  statistic showed a difference between the companies with headquarters in Brazil and those with headquarters overseas, for  $\alpha = 0.05$ ,  $\chi 2 = 3.92 > 3.84$  (1gl), with the equality hypothesis being rejected. The results are shown in Table 4.

Table 4
Competencies of the HRM and LM partner according to the type of company

Variables	Type of company		
variables	Domestic	Multinational	
Building of personal and professional competencies	33.9%	37.5%	
Communication of corporate initiatives, policies and procedures to all professional			
levels	44.1%	50.0%	
Diagnosis and intervention in organizational development	37.3%	57.5%	
Guarantee that the strategic business view is transformed into specific behaviors	23.7%	25.0%	
Planning of Human Resource and Talent Management	40.7%	47.5%	
Solves political problems in the execution of the business plan	28.8%	40.0%	
Uses business insights to propel changes in HRM practices	28.8%	47.5%	
Building the capacity to capitalize on organizational change	27.1%	42.5%	
Monitoring trends in behavior and engagement	39.0%	40.0%	
Identification of critical metrics for HRM	25.4%	42.5%	
Gathering information on internal and external practices to direct the diverse levels of			
management	40.7%	42.5%	

Source: Prepared by the authors based on the research data

The data indicate that the strategic HRM partners had great difficulty in delivering value, which is critical data, as pointed out by Becker et al. (2001) and Njemanze (2016) for businesses in domestic companies. The result in this respect was a little better in the case

of multinational companies, where HRM appears to play its strategic role better.

This finding corroborates the contributions of Hills and Rawes (2008) and Njemanze (2016), that internal consultants continue to spend little time fulfilling their

truly strategic role, such as understanding the business and the needs of internal and external clients and stakeholders (Ulrich, 2013) and having the courage to propose innovative solutions.

The premise that knowledge is an important aspect when it comes to discussing competencies was considered in the validation of the hypotheses of equality with regard to recruitment and selection (H5a), training and development (H5b), remuneration and rewards (H5c), benefits and social service (H5d), career and succession management (H5e), engineering and medicine at work (H5f), personnel department and labor relations (H5g), performance management (H5h) and quality of life at work (H5i).

It was shown (Table 5) that the processes of Recruitment and Selection (55%), Training and Development (57.5%), Career and Succession Management (52.5%) and Performance Management (57.5%) are mastered by over 50% of the professionals in multinational companies. In the latter case, the difference according to the type of company proved to be significant, invalidating the equality hypothesis (H5g), with the  $\chi 2$  statistic for  $\alpha$ =0.05,  $\chi 2$ =8.147>3.84 (1gl).

Redman, Snape, Wass and Hamilton (2007) showed that the creation of shared service sectors is fundamentally intended to address three points: costs, quality and change. It is understood that there was a need to adapt the HRM structure to reduce costs and improve quality due to the competitive environment, as pointed out by Stříteský and Quigley (2014).

Ulrich (1997) reported that the BP has knowledge related to HR practices and aligns them with corporate strategies. These HR practices are related to the HR subsystems, such as recruitment, selection, jobs and salaries and performance assessment.

Table 5 shows that the subsystems of "Recruitment and Selection", "Training and Development", "Career and Succession Management" and "Performance Management" are mastered by the BPs in multinational companies, as shown in the research by over 50% of their professionals. However, there is a lack of knowledge of the other subsystems on the part of these professionals. This has a direct effect on the results of the business partner when it comes to demands to be met. Can the BP satisfy the needs of the business unit or area he serves, without understanding the indicators related to these subsystems that he has not mastered?

Table 5
Origin of the company versus level of knowledge of HR business partners

Variables	Origin of company		
variables	Domestic	Multinational	
Mastery of recruitment and selection practices	44.1%	55.0%	
Mastery of training and development practices	44.1%	57.5%	
Mastery of remuneration and reward practices	35.6%	40.0%	
Mastery of benefits and social service practices	28.8%	32.5%	
Mastery of career and succession management practices	35.6%	52.5%	
Mastery of practices of engineering and medicine at work	0.0%	2.5%	
Mastery of practices of the personnel department and labor relations	27.1%	20.0%	
Mastery of performance management practices	28.8%	57.5%	
Mastery of practices of quality of life at work	32.2%	47.5%	

Source: Prepared by the authors based on the research data

Another point to be observed in Table 5 has to do with the information on "Remuneration and Rewards", "Benefits and Social Service" and "Quality

of Life at Work (QLW)", in which the performance of the BPs, of both multinationals and Brazilian companies, is under 50%. This is due to aspects

related to work that act as QLW indicators, such as economic, political, psychological and sociological aspects (Westley, 1979), also including benefits and social services as items that constitute these indicators (Limongi-França, 2005). There is also the variable package of remuneration and rewards, related to the QLW, and employee satisfaction (Hipólito, 2002). These are high investment factors in some European countries, as well as Canada and the United States, but far from reality in Brazil, according to data from the Organisation for Economic Cooperation and Development (OECD, 2015). It should also be highlighted that this analysis applies to the two groups in question because when it comes to multinationals, the data refer to their branches within the Brazilian context. This result also suggests that these activities still take up too much time in the area of HRM. This corroborates the studies of Quinn, Cooke, and Kris (2000), who showed that the SSC is an intermediate step so that in the future these activities can be directed to outsourced areas, i.e., independent from the business units, consequently allowing HR more time to focus on more strategic functions.

It was also shown that the business partners of multinational companies have more knowledge of HR processes than BPs from Brazilian companies. This may be the case for two reasons: either multinationals hire their professionals with a view to the competencies necessary for the business or these competencies are developed within the company. However, in the same way that internal consultants in Brazilian companies are lacking when it comes to processes related to "Engineering and Medicine at Work" and "Personnel Department and Labor Relations", the latter with a lower index than that of BPs from Brazilian companies, the performance of the BP might be affected in areas such as the redivision of labor, if an employee is removed. It may also be affected when introducing substitutions and new dynamics in the flow of activities, in the case of employees leaving (due to retirement, dismissal or illness).

An index is specifically highlighted in Table 5 due to the difference between foreign and domestic companies: the mastery of performance management practices (H5g). Brazilian companies have low performance compared with those of foreign origin, as the  $\chi 2$  statistic shows a significant difference between Brazilian companies and those with their headquarters overseas, for  $\alpha = 0.05$ ,

χ2=8.147>3.84 (1gl). Therefore, the equality hypothesis is rejected. This aspect reinforces the findings of Stříteský and Quigley (2014) and Njemanze (2016), who pointed out deficiencies related to the analysis of information, including financial information, such as return on investment (ROI), as well as the creation of metrics to bring value to organizations. The data become even more relevant and critical when the findings of Lima (2016) are highlighted. This author identified the existence of the impact of HRM on the perception of the organizational results of companies located in Brazil.

## 5. FINAL CONSIDERATIONS

The study sought to understand and make a greater contribution to how a strategic partnership is formed in Brazilian companies, bearing in mind that the Cranet Brasil network (Fischer & Amorim, 2015) found that in 66% of companies studied, the HRA alone is in charge of decisions on people policy.

Five hypotheses were tested, assuming the premise of equality between Brazilian and multinational companies. When they were tested, significant differences were found in hypothesis H3g (HRM has a computerized system of specific HRM information), Hypothesis H4c (the competence of "diagnosis and intervention of organizational development") and H5g (Mastery of the practices of performance management).

Brazilian companies were found to be deficient with regard to the use of technologies to add value to their strategic work, despite the advances in the field. Foreign companies perform their strategic roles better because they apparently interpret and diagnose organizational issues more efficiently. It was also found that in some RH practices (payments and benefits, and labor relations) decisions are made unilaterally. This probably occurs due to the lack of trust and communication between LM and strategic partners, as shown in the studies of Stříteský and Quigley (2014), and Njemanze (2016).

With specific regard to the competencies of HRM professionals (Hypotheses H4c and H5g), the problems inherent to the skills of strategic partners were identified. These were shown through the lack of results concerning what is expected from them (Njemanze, 2016), their lack of mastery of organizational data analysis (Stříteský & Quigley, 2014), or because they do not have the necessary competencies to develop their role (Caldwell, 2010).

Therefore, in this study and for the sample in question, a need was detected regarding the alignment of the HR structure with the structure of the company, taking cultural issues into account. For the HR of an organization to deliver value and make strategic contributions, as proposed by Ulrich, Younger and Brockbank (2008), and for the business partner to deliver effective value, it is necessary to reorganize HR, drawing the HRA and line managers closer to each other.

However, the data collected must be taken with reservations, mainly because it is not statistically adequate to generalize the conclusions of this study and because the study involved a limited universe of companies and HRM professionals within the position and the context they occupy in their organizations. It is likely that if this study were conducted with the positions of top management, we would have obtained different results. The questionnaire is another limiting factor due to its size,

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which affected the returns. To resolve this problem in obtaining returns, we opted to increase the response time and the number of invitations.

The findings of this study contribute to the field of strategic people management and aid a better understanding of the context and strategic importance of the area of HRM. It contributes to the organizational context with data for domestic companies, helping to change the mindset of business managers and HRM, helping to support their decisions. It is intended that line mangers and HRM professionals can obtain help to form joint strategies, making this partnership more effective.

For future studies, we suggest complementary research with a qualitative approach and the perception of other publics (line managers, employees and/or top management) from the organizational environment on the thee to validate and complement the contributions made by this study.

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# **SOBRE OS AUTORES**

- Junia Botter Specialization in Human Resource Management by Fundação Álvares Penteado School of Commerce FECAP, São Paulo, (Brazil). E-mail: jubotter@gmail.com
- Denise Gonçalves Rosa Lato Sensu Graduate in Human Resource Management from Fundação Álvares Penteado School of Commerce - FECAP, São Paulo, (Brazil). E-mail: denise.fecapjr@gmail.com
- Luciana Campos Lima PhD in Business Administration, Faculty of Economics, Administration and Accounting, University of São Paulo - FEA / USP, São Paulo, (Brazil). E-mail: lucamposlima@hotmail.com

# AS DIFERENÇAS ENTRE O MODELO E AS COMPETÊNCIAS DA PARCERIA ESTRATÉGICA ENTRE A GESTÃO DE RECURSOS HUMANOS E OS GESTORES DE LINHA EM EMPRESAS NACIONAIS E MULTINACIONAIS

Junia Botter, Denise Gonçalves Rosa e Luciana Campos Lima

Álvares Penteado School of Commerce Foundation - FECAP, São Paulo, Brazil

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## Palavras-chaves:

Parceria Estratégica Gestão de Recursos Humanos Gestores de Linha

#### **RESUMO**

O objetivo deste artigo é comparar as características do modelo de parceria entre a área de gestão de recursos humanos (GRH) e os gestores de linha (GL) em empresas nacionais e multinacionais, destacando as diferenças significativas, em especial os referentes às competências profissionais. Realizou-se uma survey com amostra de 99 respondentes. O instrumento de coleta foi desenvolvido com base no estudo de Holley (2009) e do CRANET Network (Fischer & Amorim, 2015). A análise dos dados constituiu-se em duas etapas, na primeira, testou-se a hipótese 1 (H1) por meio de análise bivariada e na segunda aplicou-se a regressão logística com a finalidade de testar as hipóteses 2, 3, 4 e 5. Constatou-se não existir diferenças significativas entre os modelos de parceria entre a GRH e os GL segundo o tipo da empresa. Todavia, identificou-se diferenças significativas entre os tipos de empresas nos seguintes aspectos: utilização de tecnologia da informação, domínio de conhecimento dos processos de GRH e de competências necessárias para a atuação como parceiro estratégico. Almeja-se contribuir para o campo da GRH ao compreender melhor sua importância estratégica, bem como para tornar mais eficiente a parceria entre profissionais de GRH e GL.

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