

STRATEGIC HUMAN RESOURCES PARTNERSHIPS WITH BUSINESS: CAMBODIAN BANKING SECTOR EXPERIENCE¹

Andries J du Plessis and Chanthy Chui

ABSTRACT

Strategic human resource (HR) management suggest that HR strategic partnerships bring positive impacts to business resulting in an improvement in organisational excellence. Qualitative and quantitative surveys of the Banking industry in Cambodia were executed to determine the current HR strategic partnerships in the business; and what is the extent of the effectiveness of the partnerships on the organisational performance. The findings revealed that effective HR strategic partnering affects organisational performance positively; HR strategic partners play an increasingly important role to achieve business objectives. HR leaders achieved a moderate extent of HR effectiveness, leaving areas for improvement outlined in this article.

Keywords: Strategic partnerships, human resources, banking, Cambodia.

INTRODUCTION

Many of the previous studies on this particular research stream have concluded and confirmed the positive effects of Strategic Human Resource Management (SHRM) on organisational performance. However, it is argued that additional studies should be carried out to obtain a broader view on the link between SHRM and organisational performance in different contexts (Du Plessis 2015a).

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

¹ This article is based on a Masters degree thesis by Chui (2015).

About the authors

Dr Andries du Plessis aduplessis@unitec.ac.nz lectures in a range of postgraduate programmes and is a leading researcher in the Department of Marketing and Management at Unitec in Auckland, New Zealand. Since 2003 he has presented more than 80 conference papers at international conferences, has written 39 book chapters in 11 books as a co-author, and published a total of 54 refereed journal articles. His areas of specialisation include leadership, HRM, employment relations, strategy and change.

Chanthy Chui completed her Masters Degree in the Department of Marketing and Management at Unitec in Auckland, New Zealand, and is currently an HR Business Partner at the ANZ Royal Bank in Cambodia.

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

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

The banking industry of Cambodia comprises 31 commercial banks of which 22 are local incorporated banks and nine foreign bank branches, seven specialised banks, and 32 licensed microfinance institutions (National Bank of Cambodia 2011a). Among the nine foreign banks, ANZ Royal Bank, the joint venture between Australia and New Zealand Banking Group Limited (ANZ, holding 55%), one of the largest banks in the world, and the Royal Group of Companies (holding 45%), seemed to be the first commercial bank to introduce formal concepts and implementations of HR strategic partnering to the Cambodian banking sector (ANZ Royal Bank 2012). Some other commercial banks also commenced similar practices, with an adaptation from their parent companies, in the later years (Association of Banks in Cambodia 2012). Since the implementation of HR as a strategic partner, there has been no concrete study that reveals the effects of SHRM on business performance in Cambodia.

This study focuses only on the Cambodian banking sector that consists of commercial banks, specialised banks, microfinance institutions (MFI), and Non-Government Organisations (NGOs) involved in rural credit activities. Despite significant progress, the Cambodian banking sector is facing numerous challenges. In 2000, 12 banks were de-licensed and put under liquidation procedure resulting from a restructuring programme requiring the existing banks to increase their capital base and to comply with relevant laws and regulations, introduced by the National Bank of Cambodia (National Bank of Cambodia 2011b).

Problem Description

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

effectively drive organisational performance? What are the challenges that HR strategic partners are facing in supporting the business?”

The Aims and Objectives of the Research Project

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

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

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

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

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

This research is also based on the four hypotheses below:

H1: HR strategic partnerships with the business bring positive impacts on organisational performance

Ho1: HR strategic partnerships do not bring positive impacts on organisational performance

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

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

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

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

H4: SHRM challenges prevent HR partners from driving organisational effectiveness

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

LITERATURE REVIEW

HRM has undergone a significant evolution to become into SHRM. This article purposely does not review the traditional role of HRM but focuses on the literature witnessing the shift from HRM as an administrative function to becoming a true strategic business partner.

In a turbulent economic situation, failure in managing human capital and maintaining the harmony within an organisation will create fatal problems for the organisation; whereas

effective SHRM can be the main factor for the success of the firm (Nel, Werner, Du Plessis, Fazey, Erwee, Pillay, Mackinnon, Millet & Wordsworth 2012).

Strategic Human Resource Management (SHRM)

Many organisations wrongly view the HR department as an administrative function and overlook the importance of HR as a strategic partner. Such firms are less likely to reap the benefits of increasing bottom line results from the association of SHRM practices and business strategies (Du Plessis 2015b; Ulrich, Younger, & Brockbank 2008). The literature explicitly reveals that HR strategic partnerships have positive effects on the organisational performance and effectiveness.

SHRM has been defined by Du Plessis (2015a) and Härtel & Fujimoto (2010) as a process involving planning and making analytical decisions in regard to affective, cognitive, and behavioural qualities of employees in order to improve performance excellence. Therefore, it is believed that SHRM imposes employment policy and organisational culture that aligns with organisational objectives. Armstrong (2011) further defines SHRM as a process of using integrated HR activities, practices, policies and strategies to manage people in a way to attain organisational goals. From these various definitions of SHRM, it can be clearly seen that the core concentration of SHRM is the creation of HR activities and practices that support the implementation of corporate strategies to achieve organisational excellence.

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

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

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

Human Resource Business Partners (HR BPs)

Many firms introduce and formalise the HR strategic business partner role based on the popularity of Ulrich's (1997a) book that describes HR strategic partners as HR professionals who work to ensure the success of the business by aligning HR practices and strategies to business objectives (Phasathane 2014). The term "business partner" that is widely and

enthusiastically used by HR professionals in developed countries has been shortened from “strategic business partner” according to Armstrong (2012).

According to Du Plessis (2014) and Caldwell (2010), HR business partners (HR BPs) are HR professionals who work closely with line managers, assisting them to achieve their business purposes through people management. Furthermore, Ulrich, Younger, Brockbank, & Ulrich (2012) refer to business partners as “strategic positioners” and consider them as high-performing HR professionals who possess advanced knowledge of the business including global business contexts (economic, social, technological, and political trends), with an ability to translate and apply this knowledge to create HR vision and strategy so as to facilitate the formulation and implementation of the overall organisational strategies. In essence, HR BPs are HR managers who have well-rounded knowledge of HR strategic partnerships and an in-depth understanding of the business, and provide consulting assistance to top management to achieve the business’s long-term strategic objectives. Armstrong (2012) is of the opinion that HR strategic partners are those who formulate HR strategies, which are in line with business objectives, allowing inputs from an HR perspective in formulating and implementing the firm’s business strategies.

Strategic business partners support the organisation’s business plan by focusing on the needs of the entire organisation over a long-term period and help develop business strategies, taking into account the integration and execution of human capital strategies (Robinson & Robinson, 2005). Robinson & Robinson (2005, p. 29) further state that “strategic business partners perform transactional work and tactical solutions in support of strategic initiatives”. However, it is believed that the majority of HR business partnering work is strategic in nature. Kenton & Yarnall (2005), support this view and suggest that HR business partners provide strategy and advice rather than carrying out or implementing strategy. HR strategic business partners anticipate stakeholders’ needs, act flexibly, and are proactive.

The Role of HR Business Partners

Du Plessis (2015b) and Armstrong (2011) describe two main roles of HR practitioners: transactional and strategic. While the transactional role of HRM involves dealing with administrative aspects of HR such as recruitment, training, compensation and benefits, and legal compliance; the strategic role is more concerned with formulating and implementing forward-thinking HR strategies that are in line with organisational objectives and that enable HR professionals to drive organisational excellence through HR practices and strategies.

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

(2005) presented a model of HR roles that HR plays in order to deliver organisational effectiveness:

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

Employee advocate: Focuses on the employee's personal and work needs through listening, understanding, and empathizing.

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

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

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

With a similar point of view, Du Plessis and Sukumaran (2015) and Court (2011) identify three major roles that strategic human resource business partners play: driving high performance, building capacity to change, and managing talents. While these are not addressed here they lead to consideration of SHRM effectiveness.

Strategic HRM Effectiveness

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

Strategic HRM effectiveness is usually linked with organisational performance. However, the term 'performance' is more specific than 'effectiveness'; therefore, researchers usually refer to the term 'effectiveness' when they consider multiple outcomes of performance in their studies (Du Plessis & Sukumaran 2015; Nigam, Sharma, & Tripathi 2011).

The impact of strategic HR practices on the firm's productivity and financial performance is still controversial among a number of scholars. In the opinion of Edgley-Pyshorn & Huisman (2011), HR strategic partners drive business performance. With a similar stance on the impact of HR business partnering, Lawler & Mohrman (2003) hold a view that HR specialists who want to be successful drivers of organisational performance need to be expert in understanding business strategy and ways to support its implementation. However, Long & Ismail (2012), in a debatable opinion, reveal that HR specialists get most job satisfaction from

exercising their traditional HR skills, and least satisfaction from using their skills as business partners. Having said that, Long & Ismail (2012) do concur that the concept of HR partnering seems promising to the business. However, for HR departments to move from an operational to a strategic role is quite a challenge as it is more than just a change in job title and job description. A new set of skills is required from HR professionals in order to be able to align with the business strategies and add real values to the business (Du Plessis 2015a).

HR Business Partner Competencies

Competencies for HR professionals that shape their performance include ability, knowledge and skills, and personality (Ulrich, Brockbank, Younger, & Ulrich 2012). The success of strategic HRM in a turbulent market environment is increasingly relying on the improvement and strengthening of individual HR practitioner's competencies and skills in mobilising their strengths, knowledge, and expertise in the organisation. In other words, having the right and necessary set of skills and competencies is a success factor for HRM's as well as for an organisation's survival (McGuire 2015). Table 1 below outlines the necessary HR business partnering competencies and qualities, based on the published research as noted.

TABLE 1
Necessary HR Partnering Competencies and Qualities

(1) Business and Financial Acumen	(3) Personal Attributes
• Business awareness and expertise	• Independence
• Financial understanding	• Resilience
(2) HR Technical Competencies	• Influencing
• Recruitment and Selection	• Coaching
• Compensation and Benefits	• Consulting
• Training and Development	• Critical thinking
• Employee Relations	• Analytical
• Organisational Development	• Negotiation
• Employee Services	• Problem-solving
	• Conflict Resolution
	• Leveraging networks
	• Communications
	• Leadership

Source: Based on Lambert (2009), Ulrich, Younger, Brockbank, & Ulrich (2012), Kenton & Yarnall (2013) and Du Plessis (2015a).

Challenges of HR Strategic Partnering

The HR strategic partner is one of the significant partners in driving the organisational performance of recent times (Petrescu & Simmons 2008). Managing businesses in the twentieth century relied heavily on employees' innovation and their creativity in return for appropriate recognition. Today, many practitioners and scholars view SHRM as a means of sustaining competitive advantage, resulting in a high expectation from SHRM in driving HR strategy to support business strategy. In response to the need to remain competitive in this turbulent market environment, many firms are now struggling to establish a positive and dynamic organisational climate to retain valuable employees (Du Plessis 2006) through well-developed and well-designed HR strategies and practices. A critical role for HRM could be regarded as a challenge for HR strategic partners to sustain organisations' competitive

advantage (Grant, Butler, Orr & Murray 2014). The challenge for HR partners is to adopt a more strategic HRM perspective in order to shape the thinking of management and empower line managers and even change their behaviour towards a more positive and co-operative relationship (Du Plessis 2015a).

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

METHODOLOGY

Background to the Collection of the Empirical Data

Quantitative methods usually result in findings with a high degree of validity; qualitative methods generally produce results with a high level of reliability. In addition to the numerical data constructed by quantitative approach, qualitative methods will enlarge the richness and the depth of the numerical data (Collis & Hussey 2014). Thus, the use of the mixed methods will help to ensure both validity and reliability of this research. The data collection process commenced after ethical approval for the research was obtained through formal consent forms from the heads (HR) of the four participating banks and the participants.

Pilot Study

Prior to the data collection, a pilot study was carried out. For this research study, the questionnaire and interview questions were sent to five line managers to test the adequacy of the survey and one HR strategic partner was interviewed in order to collect constructive feedback as to whether the questions being asked were comprehensible. Some minor changes were made after the pilot test.

Selection Process of the Participants

The study involved participation of four banks, eighty managers and line managers through online surveys, and 10 HR strategic partners' interviews. In this regard, the respondents for survey questionnaires were managers and line managers, randomly selected from a list of managers. The participants for interviews were the HR Strategic Partners in the four banks.

Data Collection: Questionnaires and Semi-structured Interviews

All the questionnaires and interviews were done in English as the managers and HR managers are English literate. A self-administered online survey was chosen as the means of collecting questionnaire responses because it offers more advantages than the traditional survey does.

According to Sreejesh, Mohapatra & Anusree (2013), the benefits include faster feedback, more cost-effectiveness, and higher confidentiality. It could also reach a large number of respondents more quickly and the respondents could respond to the questionnaires at their convenience from any device including computers, personal computers, tablets, and smart phones. The questionnaire was uploaded onto Survey Monkey and the web-based link of the questionnaire was sent to the line managers of Bank A, B, C, and D through email. The online questionnaire was activated for a fixed period of time for the participants to respond.

The questionnaires incorporated checklist and rating scale. The checklist data were applied to respondents' demographic characteristics; while scale data were used to assess a continuum of respondents' behaviours and attitudes. In the questionnaire itself, respondents were given clear instructions on how to mark their responses. The questionnaire for this research is available on request from the authors. Respondents answered the questionnaires individually and anonymously.

Semi-structured interviews combine characteristics of a structured interview and those of in-depth interviews that offer a predetermined list of questions which serves as an interview guide for the researcher and in the mean time provides room for the interviewees to talk freely about their interest during the interview

Interviews

In-depth interviews were also conducted as part of the data collection. Saunders, Lewis, & Thornhill (2009; 2012) suggest using semi-structured interviews for data collection because the hybrid feature of this interview method is suitable for this research phenomenon..

Each interview was between 30 to 40 minutes in the form of face-to-face, semi-structured, and on a one-to-one basis between the researcher and a participant. This approach freed the interviewees from feeling under pressure and enabled them to freely express their attitudes, emotions, feelings, and concerns about the topic. In the interviews, the order of questions depended on the flow of the conversation and the dialogues were auto-recorded and transcribed for further use provided that the approval of participant and organisation consent had been obtained (Saunders et al., 2007; 2009).

ANALYSIS AND FINDINGS

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

SPSS was used to analyse the collected quantitative data due to its numerous advantages to data analysis and, in order to test hypotheses, the researcher employed exploratory and confirmatory data analysis (Collis & Hussey 2014). Both data analyses carry distinct forms of technique that were used in different types of data. Exploratory data analysis techniques were

used to present frequencies and measure location, dispersion, and change; whereas, those of confirmatory data analysis were adopted to estimate samples and measure association, difference, and forecasting. Quantitative data were also produced into tables and diagrams for the purpose of data exploration and significance testing.

This research adopted qualitative content analysis, normally known as the thematic analysis method conducted by categorising themes and patterns of textual data in order to ascertain meanings out of it. As far as the confidentiality and anonymity of the participants is concerned, coding is used to replace the original name of participants and the firms being studied. This study deployed a coding technique, which is considered a central part of the thematic analysis. This research also employed a memoing technique, with the intention to increase credibility and trustworthiness of qualitative research.

The researchers still had to take into account the outcomes of the research, making sure that it provides a well-developed outline of what was done and why. Therefore, this research used a step-by-step guide proposed by Braun and Clarke (2006). The five steps involve transcribing data, generating initial codes, developing themes, reviewing themes, and writing a report.

The findings were also used to test hypotheses helping the researchers to develop alternative explanations if the negative case occurred and to compare the results of the study with other researchers' findings to see if they match or contradict. After that the researchers could draw conclusions and develop explanatory theory (Saunders et al., 2012; Collis & Hussey 2014).

Findings from Data

TABLE 2
Main Findings

Number	Major findings
Sub-Question One	HR strategic partnering practices exist in the banking sector in Cambodia; while some banks have had formal implementation and practices in place, some other banks are still in grey areas with the HR strategy and practices. HR business partner roles are concise and concrete in the banks that are rooted with standard practices of HR partnering. In the banks that are yet to have those formal practices, HR managers consider themselves as strategic partners though performing both administrative and strategic roles. Strategic partnerships from HR department contribute to the organisational performance through driving high performance organisation, leveraging line managers' capability and accountability, and managing change.
Sub-Question Two	The current practices of HR strategic partnering is effective but only to a moderate extent due to a number of challenges.
Sub-Question Three	The challenges that HR Business Partners are facing in performing their partnership role include, but are not limited, to the following: (1). The lack of understanding and awareness of line managers towards the HP role and true values added to the business (2) Line managers capability and accountability (3) HR readiness in performing strategic partnership role due to a lack of experience, inadequate partnering skills, and interpersonal and leadership qualities. (4) Laid back bank cultures embedded in the organisation so that some line managers are not willing to get out of their comfort zone and strive for change.
Sub-Question Four	In performing HR strategic partnership role, HR Business Partners require a set of skills incorporating HR competencies, business and financial acumen, and personal attributes.

Data was collected from supervisors, managers, line managers, HR managers, and HR Business Partners of four banks in Cambodia. Table 2 above summarises the main findings of the study from both data sources. The data analysis provides empirical findings to the inconclusive and gaps in the literature review above and helps answering the main research question and sub-questions. The findings from interviews confirm and strengthen the results of the online survey hence the gap in literature could be filled with this study.

Interviews Analysis

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

In addition to the consistency with literature, some findings were beyond the researchers' expectation and what was found in previous studies. For example; long-embedded working cultures and the resistance to change that form an enormous challenge for HR partners. This research not only enhances the results of previous studies but also offers one more empirical finding to literature.

Analysis and Findings to Answer Research Questions and Objectives

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

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

The **first sub-question** dealt with the existence of HR strategic partnering and how HR practices are implemented. The finding was made from the interview data analysis confirming that HR strategic partnering practices do exist in the banking sector in Cambodia. However, while some banks have had formal implementations and systems in place, some other banks are still in the process of formalising their practices. In the banks where HR partnering roles are formal and recognised, HR strategic practices are more standardized. Nevertheless, all interview participants in the surveyed banks confirmed that they are somehow providing both strategic and administrative supports.

The **second sub-question** determined the effects brought about by HR strategic involvement with the business. The most significant finding from the survey is the positive effects on organisational performance, based on 65% of respondents' agreement. Prior to this conclusion, there were a number of key findings on impacts contributed by HR partnerships. The participants' agreed that HR BPs drive and improve high performance cultures (55.67%), nurture employees' capabilities (63.92%) and employees' affective commitment (54.64%), build a competent workforce (56.70%), contribute to a decrease in employee turnover rates and turnover intentions (31.96%), improve work productivity (68.33%), and ensure organisational effectiveness (56.70%).

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

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

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

Ho1 was rejected because in the Cambodian banking sector HR strategic partnering practices have been implemented with positive impacts on organisational performance. Ho2 was also rejected owing to the fact that in reality the HR partnerships with the business are effective though to only a moderate extent. In addition, Ho3 was rejected (partnering skills do not help HR business partners to drive organisational performance because findings showed that with the right sets of partnering skills, HR business partners would be able to effectively perform their strategic roles in obtaining organisational goals). Ho4 was rejected as there have been a growing number of challenges that HR business partners are facing, and these challenges apparently prevent strategic partners from performing their roles in providing value adds contributing to the sustaining of competitive advantage.

RECOMMENDATIONS

The findings from this study have interesting implications for the development of new literature on SHRM and current HR practitioners at professional level. The recommendations for HR BPs, HR leaders, and the organisations are:

- HR BPs should be prepared to overcome the internal factor of challenges by uplifting their HR partnering skills and HR competencies through comprehensive training on HR partnering and HR BPs clubs should exchange knowledge and share new experiences among themselves.
- HR BP to improve their business knowledge being part in management meetings with the business to be aware of the goals of the business
- HR BP should sit down with line managers and department heads on a regular basis to hear their difficulties so as to understand their needs
- HR departments should provide clarity on HR practices to relevant stakeholders to make sure that the true value of HR partnerships are being well recognised
- HR BP to engage and empower line managers to take accountability through regular coaching sessions
- HR departments should provide refresher briefings on HR strategic partnering to ensure that both existing and new managers are well aware of the system and practices.
- HR BP to be in partnership with business to lead change, ensuring positive results with minimal impacts as a result of change.

CONCLUSION

In concluding, SHRM has been acknowledged as one of the significant partners in driving the organisational performance. It is clearly depicted that the HR function has evolved over the years and has been working towards a more proactive approach to remain competitive in the business environment. SHRM BP have a major role to play, including driving high performance, building capacity to change, and managing talents in order to drive organisation effectiveness. When SHRM strategies and practices are aligned with the firm's business strategies, HR BPs bring about positive impacts on the organisational performance.

This research showed that the application and implementation of SHRM HR strategic partnering have not been widely adopted in the Cambodian banking sector. Of all the surveyed banks, some had formal practices of HR strategic partnerships with the business; while, in some other banks, there are only HR managers who regard themselves as an HR BP and perform the so-called HR BP roles without having proper HR BP practices in place.

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

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