Perceptions of Executives on HRM Practices through HR Value Proposition

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This paper explores the perceptions of executives on the role of HR in terms of HR value proposition. The model consists of five elements: 1) knowledge of external business realities, 2) serving external and internal stakeholders, 3) crafting HR practices, 4) building HR resources, and 5) ensuring HR professionalism. The data collected from 1030 executives from 46 organizations on the five elements was considered for analysis. The study found that HR professionals are relatively better in adding value through HR practices, building HR resources, and ensuring HR professionalism when compared to serving their stakeholders, and the demonstration of their knowledge of external business realities. HR value addition seemed to be better in the IT&ITES sector rather than in manufacturing and service sectors.

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Introduction

Traditionally, HR departments often had limited involvement in the company's business affairs and goals. With the growing importance of human resource for the firm's success, HR managers and departments are deeply involved in business. The involvement of HR professionals includes planning the long-term strategic direction of the organizations as well as planning and implementing more tactical activities in the short term (Jackson & Schuler, 2003). The importance of the strategic view of human resource function was solidified in the light of the dynamic and changing business environment (Legnick-Hall & Legnick-Hall, 2003), as well as the increased complexity of modern organizations and business that was embedded in an information and knowledge-intensive world (Felin et.al., 2009). The role and status of personnel/human resource function in India too changed over time keeping in view the external and internal business realities that affect a firm's financial performance. The HR function in India has been transformed from clerical to administrative, administrative to managerial, managerial to executive, and executive to strategic partner (Venkata Ratnam & Srivastava, 1991; Budhwar, 2009) over time.

The HR function is playing an increasingly significant role in building and creating successful organizations by playing different roles that add value in an increasingly complex environment based on two main dimensions: operational focus and strategic focus. From the juxtaposition of these two dimensions, the HR roles are defined as strategic partner, administrative expert, employee champion and change agent (Ulrich, 1997). Based on the same dimensions, there is another set of HR roles such as transaction role, translation role, transition role, and transformation role (Kossek & Block, 2000). According to another classification, the key HR roles are as strategic management, enabler and consultant, monitoring and maintaining, innovator, change and knowledge facilitator (Jackson & Schuler, 2003). In the light of new rules for organizational success in a radically different world, a revolutionary new role is created for the HR function, namely, that of the 'chief organization effectiveness officer' which goes well beyond today's top HR jobs (Roberts & Hirsch, 2005). After filtering and synthesizing the previous works on HR roles, Ulirch and Brockbank (2005) proposed another framework for roles of HR professionals consisting of metaphors such as employee advocate, human capital developer, functional expert, strategic partner, and HR leader. Based on the changing roles of HR function, the competencies required to perform the roles kept on evolving over time. Ulrich and his associates conducted Human Resource Competency Studies (HRCS) from 1987. The study conducted in 2012, identified six clusters of HR competencies such as credible activist, strategic positioner, capability builder, change champion, HR innovator and integrator, and technology proponent as the HR competencies required. The study further found that the HR competencies significantly impact business performance (Ulrich et al, 2012).

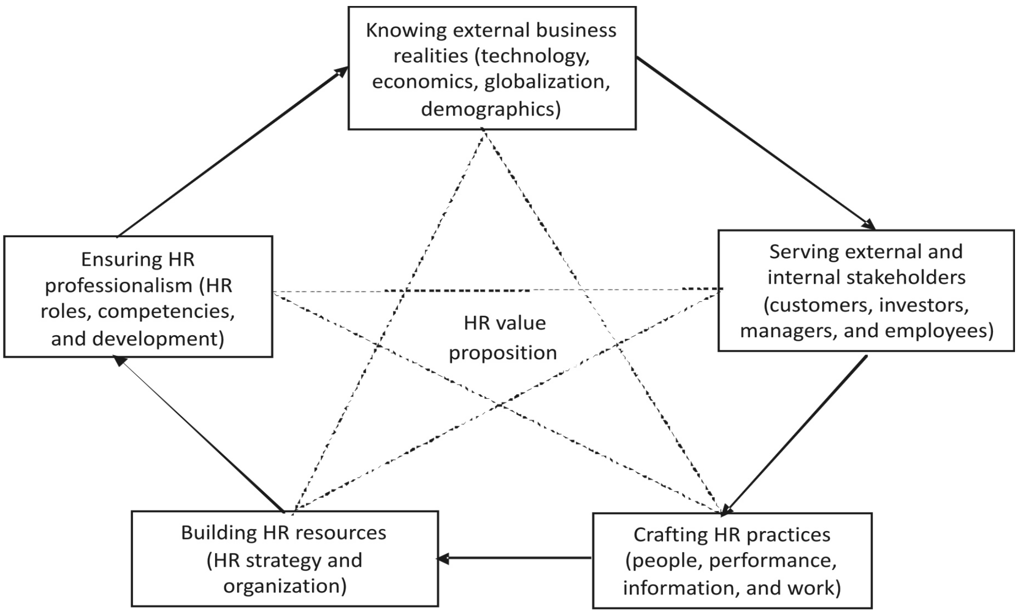
Based on the changing roles of HR function, the competencies required to perform the roles kept on evolving over time.

The HR professionals have to demonstrate these competencies while performing their roles taking into consideration the interests of stakeholders. Their interests are vital for the survival and success of the organization (Freeman, 1984; Donaldson & Preston, 1995). But simply defining performance in its contribution to bottom-line financial performance does not do justice to the various actors (both inside and outside the organization) involved in either shaping of the HRM practices or those affected by it. It is better to opt for a stakeholders' approach, which also implies opting for a multi-dimensional concept of performance (Paauwe & Boselie, 2005).

The HR Value Proposition

Ulrich and Brockbank (2005) presented the HR value proposition for the future of HR that begins with the central premise and vision that "HR succeeds when it creates value." Since value is defined by the receiver, not the giver, the value premise of HR professionals should add value to the stakeholders. The stakeholders for HR professionals include not only managers and employees of the organization, but also their investors and customers. To attain this vision, they identified five elements such as understanding external realities, serving internal and external stakeholders, crafting HR practices, building HR resources and ensuring HR professionalism (Fig. 1).

Fig. 1 The HR Value Proposition



Source: Ulrich, D. & Brockbank, W. (2005)

The first element is understanding external realities. Every organization exists and grows in an external business environment. The external business realities around the globe influence a particular business and organization. HR professionals must be in a position to understand the business realities in the areas of technology including increasing microprocessor speed, and efficiency and decreasing unit costs for chip production and computer construction, increasing connectivity between stakeholders, and improved customization of products and services to better address customers' needs. HR professionals must understand relevant economic and regulatory factors, as well as several important trends in workforce demographics, increasing di-

HR actions generate value only when they create sustainable competitive advantage.

versity of the workforce, and increasing globalization of labor. The second element is serving internal and external stakeholders. HR professionals must serve their external and internal stakeholders. The success of an HR initiative should be measured not by how well its design and implementation goes but by what the initiative does for the organization's key stakeholders. HR actions generate value only when they create sustainable competitive advantage. Therefore, Ulrich and Brockbank (2005) urge HR professionals to become both investor literate and customer literate, to think and act like an investor or a customer, and align HR practices with investor and customer needs. HR professionals must obviously build ties with, and address the needs of, internal stakeholders as well by gaining the trust of and create value for managers and employees. The third element is crafting HR practices. This model classifies the HR practices into four domains such as flow of people, performance management, information processes, and managing work flow design and process. An effective HR function must manage all the four domains in a way that adds value. These practices must be defined and evolved to deliver what stakeholders expect. HR professionals must play a key role to enable their organizations better align with both investor and customer requirements by using investor and customer criteria and participation in the staffing, training and development process, putting a larger portion of total compensation into stock-based incentives, and getting customers involved in appraising and rewarding employees. The fourth element of this model is building HR resources. The HR function must create strategies and organize resources so that individual efforts of HR professionals combine to create value. An effective HR function must have a clear strategic planning process for aligning HR investments with business goals. HR function must align its administrative setup with the business strategy. This model offers a blueprint for building HR strategy so as to link and integrate the various stakeholder requirements, business strategies, organizational capabilities, and HR practices. The fifth element of this model is ensuring HR professionalism. An effective HR function must have HR professionals who play clear and appropriate roles. It must build HR professionals who demonstrate all the required competencies while performing their roles. The HR function must invest in HR professionals through relevant learning and development activities. Then only HR professionals will deliver value through the roles they play and the competencies they demonstrate.

Research Methodology

The objective of the present study is to examine the perceptions of executives on the HRM practices along the model of the HR value proposition advocated by Ulrich and Brockbank (2005) in organizations operating in India. A questionnaire was prepared covering all five elements of the HR value proposition. The respondent line executives were asked to rate their responses based on their experience with the HR profession and HR executives were asked to rate their responses based on their experience in the HR profession in their respective organizations on a Likert-type five-point scale, 1 being ‘ not at all true’ and five being ‘almost always true’. The data collected from 1030 executives working in 46 different organizations was considered for the analysis of this study. They were distributed among 46 organizations of different varieties including manufacturing (18), service (17) and IT and IT-enabled services (11). The sampled respondents of the study were executives working in these organizations with an average experience of six years. The data collected was subjected to a reliability test. Overall Cronbach’s alpha value was calculated as 0.965. Statistical methods such as frequency distributions, percentages, mean scores, standard deviations, and t-tests and one-way ANOVA tests were employed to analyze the data.

The details of the respondents are presented in Table 1. It can be seen that 34.66% of the respondents belonged to manufacturing sector; 33.88% were associated with the service sector; and the remaining 31.46% of them worked for IT&ITES sector. Geographical orientation-wise, majority (55.15%) of them represented foreign multinational companies; nearly one-fourths (24.76%) of them worked for Indian multinational companies and the remaining 20.10% worked for Indian companies operating only in India. As far as the size of the organizations is concerned, majority (60%) of them worked in large organizations that employed more than 1000 people. 22.14% of them represented small organizations which employed less than 500 personnel and the remaining 17.86% of them belonged to medium-sized organizations, which consisted of employee strength ranging from 500 to 1000. The respondent executives belonged to different levels of management in their respective organizations. 14.76% of them were in the senior management cadre; 48.74% were in the middle management cadre; and 36.50% were junior-level managers. Functional area-wise, overwhelming majority (91.17%) of them worked in non-HR areas such as operations, marketing, sales, finance, logistics, supply chain, maintenance, and research and development. The remaining 8.83% of them were HR professionals. Gender-wise, 80.49% of them were men and the remaining 19.51% were women respondents. Their educational background ranged from below graduation to post-graduation. Majority (57.09%) of the respondents were graduates; 38.16% of them possessed postgraduate qualification; and the remaining 4.76% of them had a qualification less than graduation. A question was added in the questionnaire requesting the respondents to rate their firm’s financial performance for the last three years, as compared to their competitors in the business. It is interesting to note that 46.12% of them considered that their firm’s financial performance was better than their competitors; 33.11% rated it ‘as good as’ the competitors’ business; 20.78% of them rated it as ‘could be better’.

Findings: Knowing External Business Realities

The respondent executives were asked to rate the HR professionals’ knowledge of technology, economics, and

Table 1 The Respondents' Information

Nature Of Business	The Sample	%
Manufacturing	357.00	34.66
Service	349.00	33.88
IT&ITES	324.00	31.46
Geographical Orientation		
Foreign multinational companies	568.00	55.15
Indian multinational companies	255.00	24.76
Indian companies	207.00	20.10
Organizational Size		
Small organizations	228.00	22.14
Medium-sized organizations	184.00	17.86
Large organizations	618.00	60.00
Level of Management		
Senior	152.00	14.76
Middle	502.00	48.74
Junior	376.00	36.50
Functional Area		
HR	91.00	8.83
Non HR	939.00	91.17
Gender		
Male	829.00	80.49
Female	201.00	19.51
Qualification		
Below graduation	49.00	4.76
Graduation	588.00	57.09
Post-graduation	393.00	38.16
Rating of firm's financial performance		
Better than the competitors	475.00	46.12
As good as the Competitors	341.00	33.11
Could be Better	214.00	20.78

demographics and adapting HR practices keeping in view the external realities based on their perception. The mean scores of all the items of this element ranged from 3.13 to 3.26 (Table 2). The item 'HR professionals have knowledge of technology in the global context that affects their businesses' received a relatively less score. The item 'HR professionals have knowledge of demographics that affect their business' received a relatively higher score. One-way ANOVA test results indicated that the HR professionals in the manufacturing sector, the foreign multinational companies and the large organizations had relatively better knowledge of technology than their counterparts. With respect to knowledge of economics and demographics, the same trend continued. However, as far as

HR professionals in the manufacturing sector, the foreign multinational companies and the large organizations had relatively better knowledge of technology than their counterparts.

adaption of HR practices keeping in view the external realities is concerned, the trend seemed to be different. The HR professionals of the manufacturing sector, the Indian multinational companies and the medium-sized organizations could adapt HR practices relatively better than their counterparts. Overall, it is observed that only 38.4% of the respondents were of the opinion that the HR professionals in their respective organizations understand the external realities. The mean score of this element is 3.17 indicating that the HR professionals demonstrate their knowledge of external business realities 'sometimes' only.

Table 2 Knowing External Realities

Knowing External Realities	Mean	SD
HR professionals of my organization have knowledge of technology in the global context that affects our business	3.13	1.08
HR professionals of my organization have knowledge of economics and regulatory issues in the global context that affect our business	3.14	1.08
HR professionals of my organization have knowledge of demographics that affect our business	3.26	1.05
HR professionals of my organization adapt HR practices and allocate HR resources keeping in view external realities such as technology, economic and regulatory issues and demographics	3.17	1.03
Overall	3.17	1.06

Findings: Serving External & Internal Stakeholders

According to the HR value proposition, value is defined by the receivers of HR work – the investors, customers, line managers and employees-rather than by the givers. Six items were included in this study to assess the extent of serving external and internal stakeholders by HR. Table 3 shows that the mean scores of all the six items ranged from 3.00 to 3.27. The item 'HR professionals of my organization create market value for investors by increasing intangibles' received the lowest mean score. Item-wise, it is observed that the HR professionals of the manufacturing sector and the foreign multinational companies could demonstrate their knowledge of investors better than their counterparts. Organizational size did not have any significance in this item. With respect to creating market value for investors, HR professionals in the manufacturing sector and the IT&ITES sector, the foreign multinational companies, and the large organizations appeared to be relatively better. The HR professionals of the manufacturing sector, the foreign multinational companies and the medium-sized organizations seemed to be relatively better than their counterparts in demonstrating their knowledge of external customers. As far as building long-term connections with target external customers is concerned, the IT&ITES, the foreign multinational companies and the large organizations appeared to be relatively better than their counterparts. With respect to helping line managers, the manufacturing sector, the foreign multinational companies, and the large organizations performed relatively better than their counterparts. However, with respect to employee value proposition the IT&ITES, foreign multinational companies and the large organizations were relatively better than their counterparts. It may be observed here that the HR professionals could serve the internal customers relatively better than the external customers. Overall, it is found that only 39.23% of the respondents perceived that the HR professionals in their respective organizations serve the stakeholders to a large extent. The overall mean score of this element is calculated as 3.17 indicating that the HR professionals serve their stakeholder 'sometimes' only.

HR professionals could serve the internal customers relatively better than the external customers.

Table 3 Serving External and Internal Stakeholders

Serving External and Internal Stakeholders	Mean	S.D
HR professionals of my organization have knowledge of investors	3.08	1.12
HR professionals of my organization create market value for investors by increasing intangibles	3.00	1.10
HR Professionals of my organization have knowledge of external customers	3.27	1.06
HR professionals of my organization use HR practices to build long-term connections with target customers	3.11	1.09
HR function of my organization helps line managers deliver strategy by building organizational capabilities	3.20	1.09
HR function of my organization has a clear employee value proposition that lays out what is expected of employees and what they get in return	3.26	1.12

Findings: Creating HR Practices

The HR value proposition offered four domains of HR practices: people flow, performance flow, information flow and work flow. Seven items were included in the study to find out the respondents' viewpoint on these four domains. The mean scores of the items ranged from 3.46 to 3.76. It is observed that the HR practices relating to people flow, particularly, learning and development and recruitment and selection, received relatively better scores than those of others. The HR practices pertaining to work flow received the lowest score. Overall, it is observed that 56.36% of the respondents were of the opinion that HR function created HR practices that add value. The overall mean score was calculated as 3.56, relatively a better score, when compared to the scores of other elements of the HR value proposition. It is significant to note that, with respect to the four domains of creating HR practices,

People-flow related activities were adding value more than performance management flow, information flow and work flow.

people-flow related activities were adding value more than performance management flow, information flow and work flow. Organizational characteristics-wise, it is observed that the HR function of the service sector, the Indian multinational companies, and the small organizations were adding more value through recruitment and selection than their counterparts. But with respect to learning and development, the IT&ITES sector as well as the foreign multinational companies were better placed together with the small organizations. With regard to setting standards of performance, it is found that the service sector appeared to perform relatively better along with foreign multinationals and the small organizations. As far as allocation of rewards is concerned, the Indian multinational companies seemed to perform better together with the service sector and the small organizations. The service sector, the foreign multinational companies and the small organizations appeared to perform better compared to their counterparts with respect to providing feedback to employees. With respect to work flow, the same trend continued. As far as flow of information is concerned, again, the service sector, along with the small organizations and the Indian multinational companies seemed to perform better than their counterparts.

Table 4 Creating HR Practices

Creating HR Practices	Mean	S. D
HR practices of my organization that focus on recruitment and selection add value	3.62	1.10
HR practices of my organization that focus on learning and development add value	3.76	1.05
HR practices of my organization that focus on setting standards add value	3.58	1.09
HR practices of my organization that focus on allocating rewards add value	3.49	1.10
HR practices of my organization that focus on providing feedback add value	3.52	1.12
HR practices of my organization that focus on flow of information add value	3.51	1.07
HR practices of my organization that focus on work flow add value	3.46	1.08
Overall	3.56	1.09

Findings: Building HR Resources

The value proposition offers HR leaders a blueprint for building their strategy so that HR leaders can link and integrate the various stakeholders' requirements, business strategies, organizational capabilities, and HR practices. Two items were included in the study to assess the viewpoint of the respondents relating to this element. As presented in Table 5, the item 'HR function of my organization has a clear strategic planning process for aligning HR investments with business goals' secured a mean score of 3.38. The item 'my organization's HR strategy process turns business goals into HR priorities' received a mean score of 3.47. The overall mean score of this element of the HR value proposition secured 3.43 indicating that building HR resources exists at a moderate level. Nearly every alternate respondent (49.7%) of the study agreed that their HR function has a clear strategic planning process for aligning HR investments with business goals and 51.2% agreed that their organizations' HR strategy process turns business goals into HR priorities. As far as organizational differences are concerned, the IT&ITES sector was found to be relatively better than service and manufacturing sectors in having a clear strategic planning process for aligning HR with business goals. There is no significant difference identified between the organizations based on their geographical orientation. However, the large organizations seemed to be relatively doing well in aligning HR with business goals. With regard to organizational differences based on the nature of work, geographical orientation and organizational size, the same trend continued with respect to turning business goals into HR priorities.

Table 5 Building HR Resources

Building HR Resources	Mean	S.D
HR function of my organization has a clear strategic planning process for aligning HR investments with business goals	3.38	1.07
My organization's HR strategy process turns business goals into HR priorities	3.47	1.11
Overall	3.43	1.09

Findings: Ensuring HR Professionalism

More than 50% of the respondents agreed that the HR professionals of their respective organizations play the roles of human capital developer, functional expert, and HR leadership effectively.

The HR professionals have to ensure professionalism while performing their roles by demonstrating their competencies. Developing HR competencies on a continuous basis makes the HR professionals updated with the required knowledge, skills and abilities that are required to perform their roles effectively based on the changing business realities. This study included 11 items on HR professionalism covering HR roles, competencies and professional development of HR. As presented in Table 6, the mean scores ranged from 3.34 to 3.52 with an overall mean score of 3.44. HR leadership role and investment in training and development for HR professionals received the highest scores, whereas demonstration of business knowledge by HR professionals and their strategic partner role received relatively lower scores. More than 50% of the respondents agreed that the HR professionals of their respective organizations play the roles of human capital developer, functional expert, and HR leadership effectively. They also agreed that the competencies of personal credibility, and HR technology are demonstrated by their HR professionals effectively. According to them, their respective organizations invest in training and development of their HR professionals. Overall, all items put together, the mean score is calculated as 3.55, which indicates that HR ensures professionals more than sometimes, but not mostly. As far as organizational differences are concerned, the role of employee advocate seemed to perform better in the IT&ITES companies, the Indian multinational companies, and the medium-sized organizations than their counterparts. The same trend continued with respect to the role of human capital developer. When it comes to the role of functional expert, the HR professionals in the service sector, the Indian multinational companies and the large organizations could perform better. But the roles of strategic partner and HR leadership were rated relatively higher in the IT&ITES organizations, the foreign multinational companies and the medium-sized organizations. With respect to the demonstration of strategic contribution competency, it is observed that the HR professionals of the IT&ITES companies, the foreign multinational companies, and the large organizations were found to perform better. When it comes to the demonstration of HR delivery competency, the HR professionals of the IT&ITES organizations, the foreign multinational companies and the medium-sized organizations seemed to be doing well. No significant variation is observed with respect to the demonstration of business knowledge between the manufacturing sector, the service sector and the IT&ITES organizations. However, the HR professionals in the Indian multinational companies and the large organizations could demonstrate their business knowledge competency better than others. With regard to the demonstration of personal credibility competency, it is observed that the HR professionals in the manufacturing sector, the foreign multinational companies, and the large organizations appeared to demonstrate their HR competencies better than their counterparts. However, the HR professionals in the IT&ITES organizations could demonstrate more in their HR technology competency along with the HR professionals of the foreign multinational companies and the large organizations. The same trend continued with respect to investments for HR professionals in their learning and development.

Table 6 Ensuring HR Professionalism

Ensuring HR Professionalism	Mean	S.D
HR professionals of my organization play the role of employee advocate effectively	3.38	1.17
HR professionals of my organization play the role of human capital developer effectively	3.45	1.12
HR professionals of my organization play the role of functional expert effectively	3.44	1.09
HR professionals of my organization play the role of strategic partner effectively	3.36	1.06
HR head of my organization play effective leadership role	3.52	1.04
HR professionals of my organization demonstrate competence in strategic contribution	3.38	1.03
HR professionals of my organization demonstrate competence in HR delivery	3.41	1.04
HR professionals of my organization demonstrate competence in business knowledge	3.34	1.05
HR professionals of my organization demonstrate competence in personal credibility	3.50	1.02
HR professionals of my organization demonstrate competence in HR technology	3.51	1.06
My organization invests in HR professionals through their training and development	3.52	1.09
Overall	3.44	1.07

Overall Analysis

Table 7 presents the mean scores and percentage of the respondents who rated the items in the questionnaire as 'mostly true and almost always true'. 56.65% of the respondents agreed that their HR professionals could craft HR practices that add value. 50.5% of them were of the opinion that the HR professionals in their respective organizations could build proper HR strategy and an HR organization that makes an attempt to add value to the business. 50.17% of them were of the view that their HR professionals could ensure professionalism by playing their roles effectively with demonstration of the required competencies. But when it comes to understanding external realities and serving external and internal customers, only less than 40% agreed. Overall, 47% of the respondents were of the opinion that there was the existence of HR value proposition in their respective organizations. If the HR professionals really accept the value proposition, they need to work in the direction of understanding external realities and serving internal and external stakeholders better. In addition to this, they need to strengthen their performance in their traditional roles by enhancing the required HR competencies.

Table 7 Existence of the HR Value Proposition

Elements of the HR Value Proposition	Mean	%*
Understanding external realities	3.17	38.4
Serving external and internal stakeholders	3.17	39.3
Crafting HR practices	3.56	56.65
Building HR resources	3.43	50.5
Ensuring HR Professionalism	3.44	50.17
Overall	3.35	47

**Percent of respondents indicating mostly true and almost always true*

Factors Associated with Perceptions of the HR Value Proposition

An attempt is made in this study to find out the differences in the perception of various elements of HR value proposition and the respondents' factors such as the nature of business of their organizations, geographical orientation, organizational size and the respondents' rating of their firms' financial performance, level of management of the respondents, their functional area, their gender and educational qualifications. The factor-wise mean scores, standard deviations and F-statistic are presented in Table 8. When compared to the manufacturing and the service sectors, the HR value in the IT&ITES companies was significantly higher. HR function in these organizations might be trying to meet the requirements by adapting appropriate HR practices in the dynamic nature of the busi-

When compared to the manufacturing and the service sectors, the HR value in the IT&ITES companies was significantly higher.

Table 8 One -way ANOVA Test of Variance

Nature of business	Mean	SD	F-Statistic
Manufacturing	3.31	1.14	8.3300
Service	3.31	1.06	10.025
IT/ITES	3.52	0.98	12.111
Geographical Orientation			
Foreign multinational companies	3.44	1.05	12.161
Indian multinational companies	3.46	1.01	13.729
Indian companies	3.10	1.20	11.763
Size of Organisation			
Small organizations	3.32	1.17	7.664
Medium-sized organizations	3.06	1.06	10.382
Large organizations	3.49	1.02	12.634
Firm's Financial Performance			
Better	3.58	1.02	9.789
Good	3.38	1.08	8.683
Could be better	2.91	1.03	6.214
Level of Management			
Senior	3.44	1.11	2.948
Middle	3.36	1.09	1.457
Junior	3.37	1.05	1.770
Functional Area			
HR	3.85	0.92	20.106
Non-HR	3.33	1.08	13.378
Gender			
Male	3.33	1.09	5.514
Female	3.57	1.00	9.393
Education			
Below Graduation	2.95	1.12	4.021
Graduation	3.33	1.09	4.604
Post-graduation	3.49	1.05	8.262

ness and client orientation. With respect to geographical orientation, it is interesting to note that the Indian multinational companies could perform relatively better in adding the HR value than that of the foreign multinational companies and the Indian companies. It might be because of the location of their headquarters within India and accessibility of decision makers to make changes needed based on the situation to add value. As far as organizational size is concerned, the large organizations seemed to perform better than small and medium-sized organizations. The large organizations might have enough resources required for value-added HR practices. The test of variance clearly established that the higher the firm's financial performance, the greater the HR value perception. Coming to the respondents' personal factors and their association with the perception of HR value proposition, it is observed that the senior executives perceived HR value more than that of the middle and junior executives. It is significant to note that functional area-wise, the respondents who deal with HR functions gave higher ratings to all elements of the HR value proposition, which could possibly be because of a tendency of HR professionals to assess their function more positively than line managers do. Gender-wise, interestingly, women respondents rated the elements of HR value proposition more positively than men. Finally, it is observed that educational background also played an important role in perceiving the elements of the HR value proposition. The respondents with post-graduate qualification gave relatively higher scores than graduates and others.

Conclusion

Based on the analysis presented above, it may be concluded that the HR professionals are relatively better equipped in adding value through three elements such as crafting HR practices, building HR resources, and ensuring HR professionalism, when compared to the other two elements, namely, serving their stakeholders, and the demonstration of their knowledge of external business realities. The good news is that, according to 47% of the respondents, there is the existence of the HR value proposition covering all elements, as proposed by Ulrich and Brockbank (2005). HR value addition seemed to be better in the IT&ITES organizations than in manufacturing and service sectors. Geographical orientation-wise, the Indian multinational companies could perform relatively better in adding HR value than the foreign multinational companies and the Indian companies. Size-wise, large organizations could maintain their edge in the demonstration of HR value than their counterparts. It is also found that the HR value addition is better in the firms which perform financially well in a competitive environment. Further, it is found that the personal factors of respondents such as level of management, functional area, education, and gender are closely associated with the perception of the HR value. It may be suggested here that enhancing knowledge of technology, economics and regularity framework, and workforce demographics would help the HR professionals in increasing the HR value because the HR actions would be consistent with the changing business realities. Further, they need to gain investor literacy. This would help them align the HR practices such as staffing, learning and development, compensation and rewards, and performance management with investor requirements. What employees do inside the organization affects customers outside the organization. When HR professionals define target customers, make customer value proposition explicit, and align HR practices with customer values, they create customer experiences that build loyalty and add value (Ulrich & Brockbank, 2005). Such a unique blending would further enhance HRM practices in organizations and optimize HR value.

Personal factors of respondents such as level of management, functional area, education, and gender are closely associated with the perception of the HR value.

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