

AMERICAN UNIVERSITY OF BEIRUT

A PLAN FOR THE TRANSFORMATION OF THE HUMAN
RESOURCES FUNCTION AT JUBAILI BROS (JB)

by
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A project
submitted in partial fulfillment of the requirements
for the degree of Master of Human Resource Management
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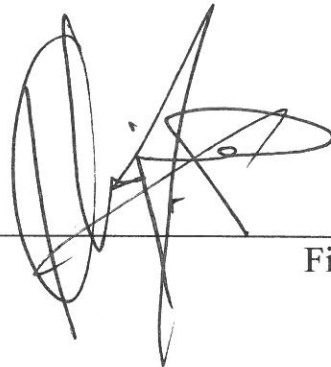
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AN ABSTRACT OF THE THESIS OF

Afif Youssef Al Zarif for Master of Human Resource Management
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Title: A Plan for the Transformation of the Human Resources Function at Jubaili Bros (JB)

The purpose of this study is to investigate the HR functions used at Jubaili Bros in order to develop recommendations that aim at improving the performance of the HR department at the organization, and moving toward becoming a strategic department. The researcher will conduct an HR gap analysis in order to tackle the weaknesses in the HR department. The study will apply Ulrich and Brockbank's HR value proposition model that is composed of 5 dimensions. This research will serve as a reference for Jubaili Bros and for the people who work in the human resource department. The study goes further to define strategic human resource management and how this could be apply in the case of Jubaili Bros. The researcher will start out from theory about the concept of strategic human resource management and how the HR department at the company can be a strategic business partner. This study would help Jubaili Bros to implement the best practices of human resource management as this will help them boost their business performance in the market. Thus, the research question for this study is as follows: How to adapt Jubaili Bros's HR department into a strategic one through applying the HR value proposition model? A transformation plan is presented at the end of the study to help the HR department at the company to be a source of added value.

A mixed-methods approach is used in this research: An online questionnaire that was distributed to 19 HR staff who work at company and three structured interviews were conducted with the HR manager, recruitment and selection officer, and the training officer.

The study will fill a gap in the literature since no similar study was previously done concerning this topic on Lebanese companies. The study is unlike previous studies that tended to focus only on performing an HR gap analysis; the study further applies the HR value proposition model and will try to implement strategic HR processes at the organization. It will also provide a guide for HR departments in Lebanese companies to improve their understanding of how to strategically manage their workforce.

CONTENTS

	Page
ACKNOWLEDGMENTS.....	V
ABSTRACT.....	VI
LIST OF ILLUSTRATIONS	IX
LIST OF TABLES	X
Chapter	
1. INTRODUCTION.....	1
1.1 Background.....	1
2. LITERATURE REVIEW.....	5
2.1 Introduction.....	5
2.2 Research Objectives.....	5
2.3 Traditional HRM and Strategic HRM.....	6
2.3.1 Definition of Traditional HRM.....	6
2.3.2 Traditional HRM Practices	7
2.3.3 Definition of Traditional HR Practices	8
2.3.4 Definition of Strategic HRM.....	12
2.3.5 Definition of Strategic HR Practices.....	12
3. HRM Practices Utilization.....	17
3.1 Administrative Usage.....	17
3.2 Business Partner Usage.....	17
3.3 Strategic Usage.....	18
4. Strategic HRM as an Added Value Function.....	19
4.1 Introduction.....	19

4.2 Adding Value Through Four Areas.....	19
4.3 Linking HR Functions with Business Strategy.....	21
5. The HR Value Proposition Model.....	22
5.1 External Business Realities.....	23
5.2 Stakeholders.....	25
5.3 HR Practices	25
5.4 HR Resources	26
5.5 HR Professionalism.....	27
6. THE CASE OF JUBAILI BROS	29
6.1 JB Overview.....	29
6.1.1 JB in Brief.....	29
6.1.2 JB Global Operations.....	30
6.1.3 JB Business Lines.....	31
6.1.4 JB Vision and Mission.....	31
6.1.5 JB Core Values	31
6.1.6 JB’s Managers Roles.....	32
6.1.7 JB HR Organization	32
6.1.8 JB HR Strategy, Purpose, Policies & Procedures.....	35
7. PHASE I: ASSESSMENT OF THE HR FUNCTION IN JB.....	37
7.1 Phase I: Introduction.....	37
7.2 Method I: Interviews.....	37
7.3 Result 1: Interviews.....	39
7.4 Recommendation I: Interviews	47
8. PHASE II: SURVEY.....	56
8.1 Introduction	56
8.2 Method 2: Survey Participants.....	56
8.3 Results II: Survey.....	58
8.4 Recommendations II	78
9. DISSCUSSION.....	82
10. STUDY LIMITATIONS	86

Appendix

I. INTERVIEW QUESTIONS..... 90
II. QUESTIONNAIRE 98
III. REFERENCES.....88

ILLUSTRATIONS

Figure	Page
Fig 1 JB HR Department Structure.....	34
Fig 2 Sample Distribution.....	56
Fig 3 Employment Status.....	56
Graph	
Graph 1.....	61
Graph 2.....	62
Graph 3.....	64
Graph 4.....	65
Graph 5.....	66
Graph 6	67
Graph 7.....	68
Graph 8.....	69
Graph 9.....	70
Graph 10.....	71
Graph 11.....	73
Graph 12.....	75
Graph 13.....	76

TABLES

Table	Page
Table 1: The Five Elements of HR Value Proposition Model.....	28
Table 2: Assessment of the Model Five Elements.....	59
Table 3: Assessment of the Model Fourteen Criteria	60

CHAPTER I

INTRODUCTION

1.1 Background

Organizations today are performing in a globalized world where most of them are still recovering from a global recession. Hence, organizations are looking for effective ways to retain their talented employees in a climate where business competition is rising. The global recession has pushed many organizations to layoff some employees to decrease their headcount costs.

Lebanese organizations today are performing in a competitive business environment where economic and political challenges do exist in the Lebanese market. The Lebanese business environment depends heavily on human resources who play an important role in helping organizations survive and prosper in the business market. To achieve this goal, firms need to have a well-developed HR strategy by which employees can perform under effective human resource management (HRM). HRM refers to the policies and procedures that affect employees' attitudes, actions, and performance (Noe, Hollenbeck, Gerhart, Wright, 2008). HRM activities involve analysis of jobs and design of work, in addition to planning, staffing, training, motivating, bargaining, improving working places, and employee relations (Werner, DeSimone, 2009). These practices have a direct influence on the overall organizations' performance and outcomes (Noe, Hollenbeck, Gerhart, Wright, 2008). As a result, firms are looking for strategic HR practices to manage their workforce in order to retain their talent people and to attract new pool of talent to the organization.

Corporations tried to search for strategic ways to manage their workforce. Managing the workforce and having a clear workforce strategy is necessary to ensure survival in the market. A clear workforce strategy would help organizations attain qualified people and saves workforce costs on the company. Managing effectively the workforce requires searching for best HR practices to raise employee satisfaction levels as well as to achieve high performance. On the other hand, there has been this conflict of how an effective strategic human resource management process would be like. Interests in this came out from the management to enrich the strategic role of the HR department and to make it a value added function. In this study, a clear demonstration is made as to how to transfer HR functions to strategic added value function and that through applying Ulrich and Brockbank's (2005) HR value proposition model.

Successful organizations ensure their employees are satisfied in the workplace which would as a result enhance their business performance. Many firms and due to the economic challenge on the other hand have failed to have a clear HR strategy. For instance, some organizations have failed to make their employees satisfied at their workplace, others didn't provide enough training programs for their employees, and even others didn't have a clear employee engagement strategy for which if all put together would generate success in human resource management (Pfeffer, 1997).

Global and regional terrorism on the other hand and its negative impact on the economy have kept organizations focused only on generating profits to survive in the market. Due to this, some corporations have neglected the importance of having a strategic human resource management process and its potential benefits it might have on the workforce. HR professionals nowadays need a clear understanding of how to adapt their HR functions to strategic despite the political and economic challenges (Schuler & Walker, 1990). With tremendous pressure put in

by competition, the HR had to transform itself from just being a support system to a strategic partner in business policy. Investing heavily in developing employees and attracting talented people to the organization, requires a clear understanding of best HRM practices and how to align the company's strategy with HR's strategy. Thus, there is an increasing number of organizations that ignore Ulrich and Brockbank's HR value proposition model and how the model could be implemented at their organizations. Ulrich and Brockbank's have created this model to help organizations link their HR strategies with the organization mission and objectives. A detailed description about the model is presented in chapter number two.

As Lebanese family organizations expand and open up new branches, they face an increasing difficulty in maintaining low employee turnover rates. The fact that there is a shortage in implementing strategic HR functions inside organizations and the fact of not considering the HR function as an added value function have become a serious concern for most Lebanese organizations. The expansion of family business in Lebanon is taking place faster than the understandings of having clear HR plans that could insure success around HR functions. There is an increasing number of Lebanese family businesses who don't understand the potential benefits that they can acquire when linking their business strategies with the HR strategy. Another big concern is that, most Lebanese family business corporations lack the HR knowledge of how to recruit, develop, and evaluate their employees. Some of them even don't have HR departments to manage basic HR issues like how to best hire and retain talented people, and how to evaluate employees for their performance (Mahoney and Deckop, 1986)

The human resource functions at the European enterprises on the other hand have attempted to deal with this problem by aligning their strategies with the HR functions. This was demonstrated by having effective employee's training and development programs that serve the

organization overall objectives, rich recruitment and selection processes that serve the organization future talent needs, well designed performance management processes, and a fair compensation and benefits programs (Budhwar and Mellahi, 2006).

CHAPTER II

LITERATURE REVIEW

2.1 Introduction

The management of human resources suggests an elevating approach in the working environment. At the other extreme, inappropriate alignment of HR practices and not allowing HR to be a strategic business partner brings negative outcomes in form of lower job satisfaction, lower commitment and even high employee turnover and poor workforce quality. Therefore, organizations have been rushing to adopt strategic HR practices that are linked to the business strategy which would help improve employees' motivation and productivity, eventually leading to better performance and work force quality.

Much has been written about the importance of HR practices, namely, recruitment and selection, training and development, compensation and benefits, performance management and employee relations. However, few studies addressed human resource management from a strategic perspective and how the HR department can add value to the business. In the coming sections, we shall make reference to previous literature that has addressed this area of research.

2.2 Research Objectives

This study aims to help outline a process by which corporations can adapt their HR functions into strategic ones through applying the HR Value Proposition model (Ulrich and Brockbank 2005), specifically looking at the HR functions at Jubaili Bros Corporation. The present paper aims to achieve two general objectives. First, it aims at exploring the weaknesses in the company HR department pertaining to the five HR functions (recruitment and selection, training and

development, performance appraisal, compensation and benefits, and employee relation).

Second, it aims at adapting the company HR functions into strategic ones through applying the Ulrich and Brockbank's HR value proposition model (2005). The following research questions will be tackled:

- 1) What are the gaps in the structure and operations of the HR department?
- 2) Identify the roadmap needed to shift the HR function into a strategic business partner.

2.3 Difference between Traditional HRM and Strategic HRM

2.3.1 Definition of Traditional HRM

Human Resources Management (HRM) is a widely known term in the business world, because it is applied almost everywhere, in large, medium, and small firms. HRM plays an important role in organizations today because it helps organizing both the workplace and workforce. Organizations might not applying it correctly, but nevertheless it is out there and it is improving by the day. In the following section, a definition was given to traditional HRM and its traditional application in the early 1980s.

In early 1980s, HRM was the personnel management whereby both called for supervision of the contractual terms between employees and employers, in addition to the management of all the aspects of the employment relationships in the firm (Legge, 2001). HR professionals back then executed the department HR activities through a set of administrative functions that tackled human transactions from an administrative point of view. Activities such as employee selection, training, appraisal, and rewards were the main activities that HR departments dealt with. The slow development of the HRM field before the 1980s has contributed to the lack of coordination among the HR functions (Wright & McMahan, 1992). In other terms, each HR function was

developed from a micro-perspective without taking into consideration the relationship between the functions themselves and with the overall company strategy.

2.3.2 Traditional HRM Practices

Talking about traditional HRM leads us to talk about traditional HRM practices that organizations used in the past. Recruitment and selection is one of the fundamental roles that HR plays. This particular HR function helps organizations to track and retain best employees for which this help in boosting up the firm's performance. Organizations in the past relied extensively on this function and HRM back then was known as a department that only hire and retain employees (Legge, 2001). On the other hand, the compensation and benefits function was the responsibility of the accounting department. Most of the accounting departments were in charge to set up salary scales that best suit the company, and HRM was left without handling this function (Tyson and York, 2000). Performance management on the other side was the responsibility for every department in the organization. Each department back then used to evaluate their employees' performance and to come up with a monthly report to the administration (Tyson and York, 2000). Thus, being a traditional HR specialist in the late 80s doesn't mean that there were less responsibilities to handle.

The management of human resources in general requires tremendous time, efforts, and responsibility from HR professionals to ensure their employees' are well served to help in achieving company objectives. HR professionals today need to think outside the box and make efforts to transform their HR department from an administrative department to a strategic one. This could be achieved by linking all their HR practices with the top management strategic direction. This means that each HR function should be designed to serve the company objectives. Moreover, these important goals could be achieved when HR professionals maintain have high

level of ethical standers along the process. In the following section, a reference was made about strategic HRM and how an HR department can best be a strategic partner for which it can add value to the business.

2.3.3 Definition of Traditional HR Practices

1. Recruitment and Selection

One of the major activities of the HR functions is recruitment and selection. Recruitment is the practice of identifying and attracting suitable employees from outside or inside the organization or both Rauner and Maclean's (2008). Once candidates are selected, HR departments begin collecting, measuring, and evaluating information on employees' qualifications. Organizations use search methods to increase the possibility of hiring individuals who have the right skills and abilities to be successful at their jobs.

One of the most crucial phases of the recruitment process is the ways of the recruitment which basically depends on the internet which is the most popular advertising medium to recruit for managerial or professional positions. Organizations apply internal resources when recruiting both internal and external candidates. Moreover, different kinds of recruiting agencies are used to recruit people for positions at different levels. On the other hand, the selection process passes through many levels. Nearly all organizations use resumes and direct company applications as part of their selection process. As a method to reach candidates and meet their personality, behavior-based interviews are generally used in the selection process.

2. Training and Development

Training is the process of providing employees with specific skills or helping correct deficiencies in their performance (Fitzgerald, 1992). During training, employees gain skills and

efficiency needed on the job. If an employee is trained well, he'll become more productive, efficient, and fruitful to his organization. When employees are trained, they become more eligible for promotion and an asset for the organization.

There existed many articles concerning employee's training and if training employees have certain impact towards the workplace. According to Harrison (2000), training is a variable that may have a positive effect on organizational performance. When organizations invest in training programs, they are indeed helping their employees to reduce their work stress and frustration which are results of work demands (Sahinidis et al, 2008). In contrast, when organizations don't have clear strategies for training programs and thus don't have a budget for training and development programs, employees lacking the skills would consider leaving the organization (Sahinidis et al, 2008).

Having rich training programs would benefit both the organization and employees. Employees will have the chance to raise their level of knowledge and to improve their skills, abilities, and competencies needed for the job.

3. Employee Relations

Employee relations refer to the relationship shared among employees in an organization. For a healthy environment at work, employees must be comfortable with each other. The relationship can be between anyone in the organization - between coworkers, between an employee and his superior, between members in the different departments. It is important that the employees share a healthy relationship with each other to deliver their best of their performance.

4. Performance Management

Organizations measure their employees' performance by conducting employee appraisal for which organizations evaluate their employees on certain competencies. Thus, one of the well-known processes of performance management is employee appraisal. It is a method by which the job performance of an employee is evaluated by the supervisor. On the other hand, goal setting, employee recognition, and documentation of employee progress are all part of performance management. The process, when executed in the best means, gives employees clear views on their jobs and their future expectations to clearly see themselves in the organization.

5. Compensation and Benefits

Employees' total compensation refers to quantifiable rewards an employee receives for his or her labors (Milkovich, 2012). Cash compensation basically consists of a wage or salary, and may include commissions or bonuses. Benefits consist of retirement plans, health insurance, life insurance, disability insurance, and vacations. In general terms, human resource departments play an important role in managing C&B. Organizations deal with C&B by distributing financial rewards in terms of wages, salaries, saving and health security plans. It is fundamental for companies to manage effectively their compensation decisions since such kind of decisions affect the employer's ability to compete in the market in terms of having a good pool of labors.

Many articles were published on the issue of the employee perceptions of how well their compensation plans meet the needs of employees. For example, studies have tested the hypothesis that income is an important determinant of employee productivity and job satisfaction (Nguyen, Taylor, & Bradley, 2003). Factors such as pay, the work itself, supervision, relationships with co-workers and opportunities for promotions have been found to contribute to

job satisfaction. (Opkara, 2002). There is a significant difference in the job satisfaction and productivity levels of employees based on their income. Employees earning the lowest income report significantly lower levels of job satisfaction relative to the other income groups. Highly paid employees may still be dissatisfied if they do not like the nature of their job and feel they cannot enter a more satisfying job (Luddy, 2005).

2.3.4 Definition of Strategic HRM

Strategic human resource management (SHRM) is a link between the management of the human resources and strategic management processes of an organization (Schuler, Jackson and Storey, 2001). By strategic we mean that HR activities should be systematically designed and intentionally linked to an analysis of the business and its context (Schuler, Jackson and Storey, 2001). Strategic HR calls for alignment among the HRM practices like HR planning, recruitment, selection, training and development, reward and compensation, as they play crucial roles in the achievement of strategic goals (Chew and Chang, 1999).

It is a fact today that insufficient usage of HR practices, policies, and functions lead to negative outcomes in the form of lower job satisfaction, lower commitment and even high employee turnover and poor workforce quality. Therefore, multinational organizations have attempted to deal with this issue by transforming their HR practices and functions into strategic and that to support their organizations achieve their mission and vision in the long term. Moving from administrative departments to strategic facilitated the process of becoming a strategic business partner with the business. In other words, strategic human resource management can be an effective partner with the business by helping the organization to achieve its mission and long term goals. For example, if the company strategy for the coming year is to have a qualified workforce that could help in improving its performance in the market, the recruitment and

placement strategy would be to serve the organization's overall strategy. This could be done through attracting and searching for talented people who can help the company increase its performance. For organizations to have a great alignment between the HR strategy from one side and the business strategy from the other side, all HR practices and policies should be managed and aligned well with each other. They should comprise "a system that attracts, develops, motivates, and retains employees to ensure the effective functioning and survival of the organization and its members" (Schuler & Jackson, 2007, p. 24). This means that each HR function should have a strategy that supports the other to achieve the business strategy. If for example training and development goals don't match staffing needs, an organization wouldn't be able to achieve its objectives, and thus failure to achieve success in the human resource unit. SHRM is considered as the organizational core competency due to the positive impact it has on both organization and employees. Thus, the emphasis on maintaining a strategic human resource management process has become strong after many studies that were done on strategic HRM. Thus, this section of literature will provide a detailed explanation about SHRM and how it can be best used in organizations.

2.3.5 Definition of Strategic HR Practices

This section of the literature defines each of the five major HR practices from a strategic approach, and gave examples of how firms can transform their HR function from administrative to strategic. HR practices included in this section are mainly; recruitment and selection, training and development, compensation and benefits, performance management, and employee relations.

1. Strategic Recruitment and Selection

The alignment between the organizational strategy and the HR strategy should be occurring in each human resource function. Recruitment and selection (R&S) has long been recognized as

a key activity within the HR department. According to (Salaman et al, 1995) R&S plays an important role in supporting organizational strategies. Thus, firms should align their recruitment and selection (R&S) practices with the overall firm strategy. This strategic integration would help the HR department to be a strategic business partner. To achieve this strategic integration, it is expected that R&S practices must maintain three primary features: strategic integration; a long-term focus; and a mechanism for translating strategic demands into an appropriate recruitment and selection specification. (Millmore et al, 2003)

Strategic integration is defined when organizations link their employees' behaviors with the corporate strategy (Sparrow and Hiltrop, 1994). Hence, strategic R&S occurs when each practice of R&S is aligned with and integrated into the strategic planning process of the organization. This strategic integration between the corporate strategy from one side and the R&S strategy from the other side needs a long-term focus. This means that the R&S strategy should not only serve the organizational strategy in the short-term, but also in the long-term (Miller, 1984). For example, if the company's vision is to be the number one company in its field by 2020, the R&S strategy would be thus to identify and choose people with capabilities who could help the organization achieve its vision and objectives in the long run. Moreover, the company should develop a range of staffing programs and activities to find such people. Linking the S&R strategies with the corporate strategies requires a certain mechanism for translating those strategies and linking them with each other. Organizations must have a working mechanism in place to achieve such kind of alignment, otherwise the alignment would not work as planned.

2. Strategic Training and Development

SHRM researchers defined training and development (T&D) as an HR function that affect employees' behaviors and attitudes (Huselid et al., 1997). Few researchers talked about (T&D) from a strategic perspective. According to Mello (2002), strategic (T&D) practices should be designed to foster organizational commitment and reduce turnover. The strategic perspective to training calls for linking the organizational objectives with training needs and thus abandoning the belief of thinking HR as management for personnel only (Mello, 2002).

Developing effective training programs requires from companies to strategize their training programs and thus to link training goals and objectives with organizational goals. This can be demonstrated by conducting needs assessment based on organizational needs just before conducting the training (Mello,2002). Moreover, successful corporations usually strategize their training practices to make more informed decisions that could generate effective outcomes. Another method to strategize training programs is to make such programs concerned with longer-term people issues (Armstrong, 2000), and within this framework it is necessary to consider long-term strategies of training. For example, a question should be asked as to whether the training program would generate measurable benefits to the organization in the long run, and whether it would provide appropriate support and ensure motivation to learn. Thus, organizations should make the training experience positive for their employees, and that to ensure this strategic approach of training. Ensuring that the employees receiving the training are satisfied in terms of the training contents would, on the other hand, bring more commitment to the organization.

3. Strategic Performance Management:

When we investigated the literature seeking a definition of performance management, we found that most researches tended to use performance measurement instead of performance management. According to (Atkinson et al., 1997; Chenhall, 2005) strategic performance measurement is defined as a tool that translates a strategy into a set of performance measures. Moreover, de Waal (2001) has defined strategic performance management as the process where organizational mission, strategies, and objectives are taken into consideration when designing the performance appraisal, and thus key performance indicators that match the organization's strategy are set for employees to achieve.

There are four characteristics according to Klingner et al. (2010) for which can help the organizations to acquire strategic and effective performance appraisal systems. A strategic performance appraisal should first communicate organizational goals and objectives to employees; second, it should encourage workers to improve performance; third, it should distribute equally organizational rewards such as salary increases and promotions; and fourth, it should provide management with suggestions that can be used to enhance employees' productivity and job satisfaction.

Moreover, Martin and Bartol (1998) came out of a new framework and suggest that strategic performance appraisal systems should achieve three main dimensions. First, the management should control the system and that can be done by linking the process to employee development. Second, the system should be consistently monitored by the management. This could be achieved by providing metrics to ensure the system is working effectively. Third, management should provide constructive feedback to those that use the system (e.g., raters and employees).

4. Strategic Compensation and Benefits

Compensation and benefits (C&B) practices can be also transformed to a strategic level. In this regard, organizations need to align their business strategies with their C&B strategies. Companies in the past tended to reward their employees based both on their position in the company and on their seniority. Today, strategic HR departments are contributing to their business strategy by rewarding employees based on both their performance and their value added to the firm. Examples of innovative and responsive compensation systems include goal sharing, gain sharing, profit sharing, stock sharing, merit pay, piece-rate pay and skilled-based pay.

It is a fact today that compensation systems have a direct impact on the organization and its performance in the market. Hence, pay strategies affect directly the company ability to achieve its strategy. For that reason, companies today are aware of this impact and the affect pay systems have on the business strategy. Thus, organizations which have adopted strategic rewards systems are aligning their pay systems with the important changes occurring in organizational design and management. One way to link organizational strategy with pay strategy is by insuring compensation practices make sense within the context of the business strategy and other systems, such as those designed to manage information, human resources, production, finance and, of course, compensation.

The business strategy on the other hand is the hub of all strategies where all of the organizational strategies should be based on. It is fundamental for organizations to focus on their business strategy and answers questions like where the company should be in the coming year, and what the company wants to achieve. After the management set the business strategy, it is important now to look on the organization's design and management style for which both should

drive the design of the reward system. However, organizations usually face a challenge in designing the pay system structure and design. The solution here is to create a compensation system that will produce the behaviors that make the strategy come alive.

Another method for which organizations can maintain strategic pay systems is by designing a pay system that could attract and retain employees who could help the company meet its objectives and goals. This could be done by distributing rewards that could satisfy the employee for which he or she are satisfied when they compare their rewards with those received by individuals doing similar jobs in other organizations.

3. HRM Practices Utilization

3.1 Administrative Usage

According to (Noe, Hollenbeck, Gerhart, Wright, 2008), HR practices could be utilized in three different ways. They are used as administrative, partnership with the business, and strategically. The essential usage for the HR functions is the administrative practice where by the HR department act a supporting department to other departments and perform activities like staffing, employee relation, and payroll services from an administrative point. The HR department under this form serve as an administrative department that only facilitates paper work for other departments.

3.2 Business Partner Usage

On the other hand, performing HR functions as a business partner is the second usage of HR functions and an advance practice of the HR function. Under this usage, organizations focus on designing, developing, and implementing business plans. Being a business partner with the business help facilitate the implementation of the company's mission and objectives, however it

doesn't help always in meeting the organization mission since the HR department is asked to only be part of the whole process. HR staff here usually present their suggestions and opinions to enhance the business.

3.3 Strategic Usage

The third and the best usage of the HR function among organizations and for which this study will be based on is the strategic usage. Being a strategic partner is the best and the most important method from the two previous mentioned HR usage. It starts by contributing to business strategy based on the organization's mission and vision, and developing HR strategic programs for which each HR function is developed on a strategic basis (Noe, Hollenbeck, Gerhart, Wright, 2008). According to Lawler and Mohrman (2003), success in human resource management process is accomplished when the HR department acts as a strategic business partner with the organization. Acting as a strategic partner would allow the company to retain its employees and to acquire a new pool of talent that fit the organization's mission and vision. Assisting organizations to achieve strategic objectives could be done through tailoring the company HR functions to the organization's mission and vision. Meeting the company mission and vision requires from the HR department to acquire a strategic HR plan that could serve the department in the long run. Hiring and selecting people would be thus to effectively hire people who could serve the organization in the long term. Training and developing employees on the other hand would serve to develop and prepare talented employees for future challenges that could face the company. As such, HR functions, policies, and practices are made in an alignment with the organization strategies and objectives (Ulrich et al., 2009a).

Ensuring strategic direction in the HRM process requires effective collaboration with the company's departmental managers. Taking this into consideration would help them evaluate

their strategies by making sure that departmental plans fit with their strategies which will eventually help the company to achieve its strategies (Algorta & Zeballos, 2011; Blackburn & Rosen, 1993). Moreover, HR practitioners and academicians believe that aligning HR practices with organizations' strategies, the human resource management can become greater strategic contributor to organizational performance and success (Mathis and Jackson 2003; Khandekar and Sharma 2005).

4. Strategic HRM as an Added Value Function

4.1 Introduction

This part of research will discuss how an HR department can add value to the business and thus being a strategic partner. It will also present the rise of the empirical evidence of HR as an added value function. It presents four major areas for which strategic HR departments can use to add value to the business. According to Ulrich (1997), HR managers can play four major roles: administrative expert, employee champion, change agent, and strategic partner. The study resulted that in order for HR to add value to the business, HR people need to focus only on the strategic partner role play one of the four roles that add value (Buyens and De Vos, 2001).

4.2 Adding Value through Four Areas

Moreover, there are four areas according to Armstrong (2000) for which HR can be an added value function. Armstrong (2000) discuss that; HR departments can add value to the organization if they act as a strategic partner with the business which could help in achieving organizational objectives. Adding value could be accomplished through delivering strategic HR activities to the business in four major areas (Armstrong, 2000). First, an added value and a strategic HR department invest heavily in incentive programs that could encourage their

employees to deliver best outcomes. Offering career planning services and empowering employees are types of programs that could motivate employees to give their best to the business. This as a result will reflect employee stratification which help in enhancing the organizational performance in the long run and help the firm achieve its business goals.

Second, a strategic HRM process would measure its impact on the HR department and on the organization. Measuring the HR practices impact would allow the department to reveal new practices and areas to adjust. Third, HR managers could add value by attracting and retaining best people to the organization. Having a successful employment process that matches the business goal is called a strategic employment process. Such kind of process would add value to the corporation in the short and long run. Finally, HR departments can add value to their organizations and thus performing strategically is by designing appropriate performance management systems that could grantee a fair and accurate evaluation for all employees in the present and long run. A strategic performance management system would have consistent high reliability and validity score. HR strategic partners use the corporation mission and objectives to draft out the needed competencies for which the performance appraisal system will be based on.

Another method for which HR can act as an added value function is through investing in employee training programs to gain the needed skills and to meet goals and objectives. According to (Ulrich et al., 2009) strategic HR departments should not only observe the business, but also understand and adjust to the business movements, and lunch training programs if there is a need for this. According to (Becton & Schraeder, 2009; Lawler & Mohrman, 2003; Pilenzo, 2009) maintaining a strategic direction at the HRM process requires from corporations to train their human resource professionals both on the business principles and the human resource technical skills and knowledge. When corporations train their HR staff on the above

mentioned skills including strategic thinking, planning and analytical skills; this as a result would reflect positively on the trained HR staff and would enable them to become "strategy architects" (Ulrich, Brockbank, & Johnson, 2009, p. 26).

There are benefits according to (Brown, 2004; Ulrich et al., 2009a) that organizations would acquire from such kind of a strategic training programs. (a) "strategy architects" can use their skills to partner with executives in other departments to help them strategically in their business decisions, thus facilitating the strategy-creation progression, (b) trained HR people will have the ability to communicate the organization's strategy to their staff, and (c) ensure the successful implementation of the organization's strategy by making sure that all human resource practices and procedures are aligned with the strategy.

4.3 Linking HR Functions to Business Strategy

Linking HR strategies with business strategies requires from organizations to link each of the HR function to the organization's strategic goal. If an organization didn't know what kind of training programs are needed for its employees, this will negatively affect the organization's strategic direction and will not make the HR department acts as a strategic partner (Brown, 2010; Pineda, 2010). Similarly, if performance appraisal systems did not provide accurate and fair information about employees' performance, this on the other hand will not help in achieving strategic and long term organizational objectives. This is because according to (Brauns, 2013) employees are not given the opportunity to grow, learn, and improve. Same, if compensation programs weren't designed in a way that could fairly and accurately compensate employees on their performance, people will do only those things that are compensated for (Ulrich & Brockbank, 2005). For example, if a compensation system is designed to compensate employees only for their individual performance where teamwork is essential to the organization's strategic

goals, then employees will focus more on their individual efforts to meet the compensation system requirements, rather than on teamwork. Thus, it is important for companies to align carefully their HR functions with strategic objectives. In other words, organizations that maintain administrative HR practices not strategic they are limiting the chance to achieve strategic objectives. Being an HR strategic partner wouldn't be possible without applying HR strategic models. Thus, organizations use professional HR strategic models to help them link their HR functions and policies to those related to the company. Ulrich and Brockbank (2005) as a result have created a well- developed HR value proposition model that helps HR departments add value to the overall business and thus being a strategic partner. We presented below the HR value model and explained how HR professionals can add value to their organizations.

5. The HR Value Proposition Model

To improve its effectiveness and have greater impact, the human resource function must understand how to add value in the organization. According to Ulrich and Brockbank (2005), HR transformation should improve life for stakeholders in ways that they are willing to pay for and turn relationships between stakeholders into results. Moreover, the authors believe that “a fundamental transformation of HR starts with a definition of HR value – who the receivers are and a clear statement of what they will receive from HR services.” (Ulrich and Brockbank, 2005). The authors suggest HR professionals to start answering questions such as: Who are the stakeholders to serve, what are their goals and values, what is important to them, and what do they want.

Once answered, these questions will help HR professionals show how a transformation plan of HR practices will help the stakeholders gain value as defined by the latter. Ulrich and Brockbank's model composed of five elements and fourteen criteria to help HR departments add

value to the business strategy. The HR value proposition is composed of five elements; namely external business realities, stakeholders, HR practices, HR resources, and HR professionals. The first two elements determine why HR needs to focus on its deliverables; and the last three elements comprise the HR function within an organization. In executing the HR transformation, the authors state that the best logic is to move through these five elements in succession. For instance, one may start the transformation of HR with the assessment of one of the elements, but to guarantee that this assessment leads to an “integrated transformation, it must be connected to the other elements” (Ulrich and Brockbank, 2005).

Following is an overview of the five element of the HR Value Proposition framework, from which the authors have established fourteen criteria, for HR, which add value to stakeholders and make an HR function effective. Appendix A illustrates the HR Value Proposition criteria and the questions.

5.1 External Business Realities

The first element of the model urges HR professionals to add value to external business realities. According to the authors (Ulrich and Brockbank, 2005), the first element included three factors which are technology, economy and regulatory issues, and workforce demographics. This means adding value to external business realities could be demonstrated by adapting to the technology, understating the economy and regulatory issues, and understanding the workforce demographics. HR professionals who know these external business realities will be able to make form their HR departments an added value unit. It is important today to understand technology issues for which to both facilitate the HR work and to save time. On the other hand, working in the HR field requires HR professionals to understand the business and regulatory issues thus

helping line managers to meet their objectives. This is also apply for knowing and understanding the demographic trends that influence the labor supply for the industry.

From the External Business Realities element of the HR Value Proposition Framework, Ulrich and Brockbank formulated the first criterion that would make an HR function add value to stakeholder. Criterion 1 indicates an effective HR function has HR professionals who recognize external business realities and adapt HR practices and allocate HR resources accordingly (Ulrich and Brockbank, 2005). Criterion 1 was tested from question 2) a-1 to 2) c-6 as indicated in Appendix 2. A sample question for this element is “The applications of technology that can enhance the design and delivery of JB’s services and solutions.”

5.2 Stakeholders

The second element of the model is the stakeholders. This element composed of two factors which are external and internal stakeholders. To add value, HR professionals must add value to their external and internal stakeholders (Ulrich and Brockbank, 2005). According to the model, external stakeholders are the company’s investors and customers, while internal stakeholders are the line managers and employees. Thus, HR professionals should focus their efforts to serve their stakeholders because they are the value receivers who determine if the HR unit is effective.

These deliverables entail investor intangibles, customer share, organization capabilities, or individual abilities; from which the following criteria were designed. Element number 2 of the HR value proposition model was evaluated through criteria 2, 3, 4 and 5. Criterion number 2 indicates an effective HR function creates market value for investors by increasing intangibles. As indicated in appendix 2, criterion number 2 was tested through questions 3) a-1 to 3) a-12.

Criterion 3 indicates an effective HR function increases customer share by connecting with target customers which was tested from question 3) a-13 to 3) a-19. Criterion 4 that indicates an

effective HR function helps line managers deliver strategy by building organization capabilities was tested from question 3) b-1 to 3) b-5. Criterion 5 that indicates an effective HR function clarifies and establishes an employee value proposition and enhances individual abilities was tested through questions 3) b-6 to 3) b-9. A sample question for this element is “JB’s five major shareholders and the percentage each of them owns.”

5.3 HR Practices

The third element of the model are the HR practices. The third element composed of two factors which are flow of people and performance and flow of information and work. HR practices play important role in how the HR department treat its employees and how they are designed to assist the organization to meet its objectives. For instance, the way of hiring, training, or compensating employees or the way work is organized in a firm should be aligned to business goals and objectives. Moreover, people practices and performance management tools determines the effectiveness of the HR function. In addition, information and work flows at the organization determines the effectiveness of the HR unit. Thus, all of these HR practices must be aligned with the company strategy to add value to the organization. The 3rd element of the HR value proposition was evaluated through criteria 6, 7, 8 and 9. Criterion 6 that indicates an effective HR function manages people processes and practices in ways that add value was tested through questions 4) a-1 to 4) a-12. Criterion 7 that indicates an effective HR function manages performance management processes and practices in ways that add value was tested through questions 4) a-13 to 4) a-16. Criterion 8 that indicates an effective HR function manages information processes and practices in ways that add value was tested through questions 4) b-1 to 4) b-5. Criterion 9 that indicates an effective HR function manages work flow design and processes in ways that add value was tested through questions 4) b-6 to 4) b-8. A sample

question for this element is “Build relationships with key sources of talent (e.g. faculty members and search firms.”

5.4 HR Resources

The fourth element of the HR value proposition model are the HR resources. One of the HR resources that the authors identified is the HR strategy. According to (Ulrich and Brockbank, 2005), HR professionals should match their HR strategy with the business strategy, thus adding value to the company stakeholders. The strategy helps HR professionals focus their attention on key factors and react appropriately to business realities. Thus, HR specialists should prioritize trends in the business environment whenever an HR strategy is being developed and identify key HR practices (e.g. recruitment, promotions, training & development, internal communications, leadership, etc.) that support the business strategy. Accordingly, the authors have formulated the following criteria. The 4th element of the HR value proposition model was evaluated through criterion 10 and 11. Criterion 10 indicates an effective HR function aligns its organization to the strategy of the business. Criterion 11 indicates an effective HR function has a clear strategic planning process for aligning HR investments with business goals. Both criteria were tested through questions 5)1 to 5)6 for which they evaluated the extent to which JB’s HR strategy process turns business goals into HR priorities. A sample question for this element is “Prioritize trends in the business environment whenever an HR strategy is being developed for a certain business unit.”

5.5 HR Professionalism

The fifth and final element of the HR value proposition model is the HR professionalism.

According to the authors, HR professionals should master set of competencies to add value to their organization. Thus, HR specialist should have the needed skills to design and deliver HR practices that ensure individual ability. Moreover, they should be able to design organizational structures and deliver measurement and reward systems that motivate greater performance.

Furthermore, having knowledge of how the company can creates value to its stakeholders and line managers, and having knowledge of labor law are also needed competencies that HR practitioners need to know. The 5th element of the HR Value Proposition was evaluated through criteria 12, 13 and 14. Criterion 12 indicated an effective HR function has HR professionals who play clear and appropriate roles was tested through questions 6)1 to 6)5. Criterion 13 that indicated an effective HR function builds HR professionals who demonstrate HR competencies was tested through questions 6)6 to 6)17. Criterion 14 indicated that an effective HR function invests in training and development of HR professionals was tested through questions 6)18 and 6)19. A sample question for this element is “Make sure the employer-employee relationship is one of reciprocal value.”

In table number 1 below, we have presented in more detail the model’s fourteen criteria together with their relevant elements.

Part 1: Vision Premise of the HR value proposition	Part 2: Elements of the HR value proposition	Part 3: Actions Criteria for the new HR (An effective HR function...)
HR succeeds when it creates value	Knowing external business realities	1. Recognizes external business realities and adapts its practices and allocates resources accordingly
	Serving external and internal stakeholders	2. Creates market value for investors by increasing intangibles 3. Increases customer share by connecting with target customers 4. Helps line managers deliver strategy by building organization capabilities 5. Clarifies and establishes an employee value proposition and ensures that employees have abilities to do their work
	Crafting HR practices Manages people processes in ways that add value	6. Manages people processes in ways that add value 7. Manages performance management processes and practices in ways that add value 8. Manages information processes and practices in ways that add value 9. Manages work flow processes and practices in way that add value
	Building HR resources	10. Has a clear strategic planning process for aligning HR investments with business goals 11. Aligns its organization to the strategy of the business
	Ensuring HR professionalism	12. Has staff who play clear and appropriate roles 13. Builds staff ability to demonstrate HR competencies 14. Invests in HR professionals through training and development experiences

Table 1: The five elements of the HR Value Proposition

CHAPTER III

THE CASE OF JUBAILI BROS

Based on the literature review above and applying the HR value proposition framework to the case of Jubaili Bros (JB), we will assess where the organization is now and where it needs to focus to get better. Accordingly, this chapter will be a case study of Jubaili Bros. The first section included an overview of JB; its business lines and mode of operation, its set up and business lines roles, its customers, its positioning and market position, its vision and mission, its core values, its organizational chart and HR organization chart, its HR strategy, purpose, and policies & procedures, and finally the first section revealed how JB HR unit is adding value to the business. An assessment of the company HR functions is done in the second section of this chapter.

6.1 JB Overview

6.1.1 JB in Brief

Jubaili Bros (JB) is a leading family business supplier of power solutions. It has customers in Middle East, Africa and Asia; with around 1500 international employees, deployed in 23 branches located in Lebanon, UAE, Nigeria, Afghanistan, Kuwait, Ghana, Qatar and Uganda & through an extensive dealer network. The head quarter of the company is located in Lebanon.

With over 35 years in the power generation field Jubaili Bros has become one of the most trusted names in the power sector. Jubaili Bros is a member of Jubaili Group Holdings which is incorporated in Lebanon and manages several companies in the Middle East, Africa and Asia. JB is specializes in the Electro-Mechanical field, agricultural products and accessories. The roots of the company go back to the 1940's with the Rajab Jubaili Establishment that started its

operations in Sidon, Lebanon and rapidly expanded beyond Lebanon and became active in several Arab countries as well as Africa.

In 1977, Jubaili Bros was established in the city of Sidon (Saida) in Lebanon. With the market demand for Generators in Lebanon on the increase, JB offered a range of units powered by Honda, Robin and Lister Petter-Gas Petrol and Diesel Generators.

6.1.2 JB Global Operations

In 1991, Jubaili Bros extended its operation to the GCC by setting up a company in UAE. It was the first step towards becoming a truly international company, exporting from Jebel Ali to customers throughout the Middle East and African regions. Today JB has expanded in the UAE to have three branches and multiple warehouses in (H.Q) Jebel Ali, Dubai (Jaddaf) and in Abu Dhabi, as well as a large fleet of rental generators. In 1996, Jubaili Bros was established in Nigeria where the company met the first major challenge due to the high market demand. JB is the supplier for the telecommunication, financial, government and oil & gas sectors. It continues to be a reliable source of power solution needs for Lebanon, UAE, and South Africa. The company is committed to a continuation of excellence in fulfilling the power needs of the Telecoms and Oil industries by providing innovative power solutions to the special project within the region and beyond. To-date, Jubaili Bros has around 1500 international employees deployed in 8 countries with 23 branches, making Jubaili Bros one of the leading providers of Electro-Mechanical Solutions in the Middle East, Africa and Asia.

6.1.3 JB Business Lines

Jubaili Bros Diesel Power Generators are powered by Perkins engines. The organization's highly qualified engineers and technicians promoting a line of quality products have made a commitment to customer satisfaction which makes Jubaili Bros an important partner in power. The organization also sells high quality and heavy duty enclosures which are built in various models for different applications.

6.1.4 JB Vision and Mission

The company's vision and mission guides every aspect of its business by detailing what is needed to be accomplished in order to sustain its quality.

Vision: To be the leader in the Electro-Mechanical field in the Middle East, Africa and Asia.

Mission: To ensure customer delight by providing superior products and services.

6.1.5 JB Core Values

JB have established seven fundamental core values that have helped the company to grow and prosper both on the employee and customer sides. JB values came out as a result of extensive meetings with line managers and different branch managers. After coordination with the GM and line managers in all JB branches, the company set out these seven values to help the company survive and compete in the market. Each of the values comprises a set of behaviors which are derived from the respective value, and which, when adopted, will improve and enrich the way people at JB work together.

These values in practice decide how JB employees support customers, proactively and creatively; how they work together; and how they determine and evaluate their own competences and performance. The below values serve as guiding ideals that shape and support the company

culture, attitude and behavior. Integrity, Honesty, Loyalty, Commitment, Excellence, Teamwork
Social Responsibility

6.1.6 JB's Managers Roles

In summary, the GM of the company is also the chairman and has two assistants, the first is the assistant general manager for finance and admin (AGMF), and the second is the assistant general manager for operations (AGMO). The GM coordinates with his assistants and oversees all of the departments work. The AGMF is responsible for the accounting, procurement, IT, administration, HR, and quality management departments having a senior manager for each of the above departments. On the other hand, AGMO is responsible for the production, sales, and engineering departments having a manager for each deferment. The two assistants coordinate with each other departmental work and report directly to the GM. Regarding JB other branches, it is important to note that each branch has its own structure depending on employees' size and responsibilities. However, all branch managers report directly to the company's chairman.

6.1.7 JB HR Organization

After shedding the light on the company's overall structure in Lebanon, it is important now to shed light on the organization of the human resource department and see how the company designed its HR department. It is important to note however that we will present JB HR organization in Lebanon since as mentioned earlier it serves as the company headquarter where all HR decisions are left for management in Lebanon to handle. Thus, JB maintain a centralized management structure where HR decisions are made with coordination from the center of the organization.

The company has three HR departments in each of Lebanon, Nigeria, and UAE branches. Each branch HR department serve as regional HR unit for branches in the same country. This means that in each country, all JB branches have one HR unit that serve those branches' HR needs. The HR department is designed like any others department in the organization. The HR department at JB was originally designed to maintain admin and "paper work" and was considered as an administrative department not a strategic unit. The HR function locates people of ability and integrity and then encourage them to undertake desirable actions. This is demonstrated by raising reports and recommendation to top management for potential and employees who have been noted as good employees. As a result, the management takes actions to reward its hard workers. Moreover, originality of thoughts and creativity of ideas are encouraged and accepted by the department. The HR function allows their employees to contact directly the GM for any new idea that could help the firm to meet its objectives.

The HR department reports its work directly to the assistant general manager for finance and admin, and it seeks for approval form both the GM. Regarding the HR department structure and as indicated in figure 1 below, the department is composed of five staff divided as following: Senior HR manager, recruitment and selection officer, compensation and benefits officer, HR auditor, and HR officer. JB's HR department has a senior HR manager who oversees all of the HR five functions, namely recruitment and selection, performance management, compensation and management, training and development, and employee relations. The recruitment and selection officer is responsible for placing the right individuals at the right place, in addition to screening CVs and interviewing potential candidates. The compensation and benefits officer is responsible for all payroll related issues and is responsible to coordinate employees' salaries with the accounting department. On the other hand, the HR auditor maintains his work outside the

company premises and conduct monthly auditing visits to other JB branches. The HR auditor is responsible to check out how the process is going and to insure HR functions in other branches meet the standards of the mother company. Last but not least, the HR officer assist the department whenever needed and is responsible for data entry and assist the hiring officer in screening CVs.

The HR department at the company doesn't have officers or specialists for the two HR functions remaining; training and development and performance management. The company incorporates these two functions within the C&B officer responsibilities. The HR manager also coordinates these two functions with the C&B officer.

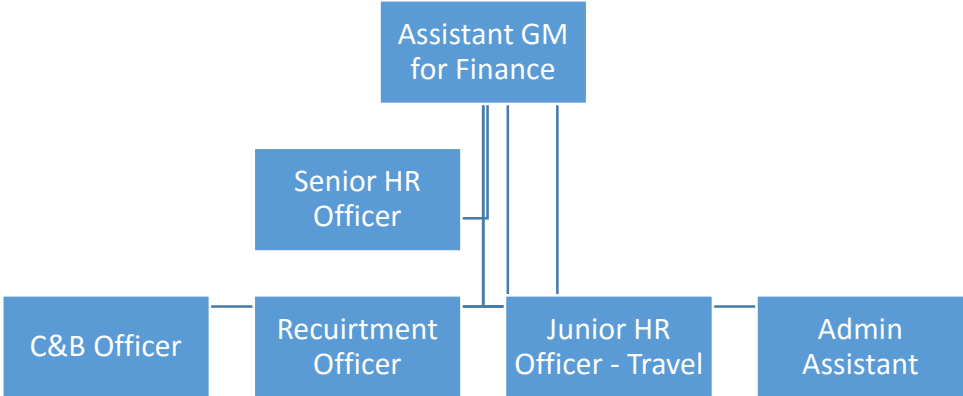


Figure: 1 JB HR Department Structure

The above information was about JB's HR organization structure in Lebanon. Regarding, the HR structure in other branches, it is important to note that each HR department has its own structure and is considered as a separate department. Individuals in the HR department depend on the branch size and number of employees. However, and as mentioned earlier, all HR decisions are coordinated from the company's headquarter branch which is located in Lebanon.

Thus, hiring, training, and performance management decisions are coordinated with the branch general managers and the latter seek agreement from the company chairmen.

6.1.8 JB's HR Strategy, Purpose, Policies and Procedures

1. JB HR Strategy

The HR department strategy is to update the use of the HR functions at the organization. This strategy came when this study was occurring. The purpose behind updating the HR functions was to make the HR department an added value unit to the business, and thus transform the HR department to a strategic level. This was clearly demonstrated in updating job descriptions and grading scales, competencies, performance management, and training programs. The company cooperated with professional consultancies to achieve its strategy.

2. JB HR purpose

The purpose of JB's HR department is to improve employees' skills and competencies for which as a result would add value to the organization. This is done through conducting training programs and maintaining follow ups with employees on a daily level. The HR department also cooperated with professional trainers to deliver the training programs to their employees.

3. JB HR Policies and Procedures

JB HR polices are clear and they extend into most areas of operation. New employees are asked to sing the employee handbook upon their start. Employees' handbook contains all the needed polices that employees must know about work procedures and standards. The HR polices are kept current and are developed as needed to meet problems that arise.

7. Assessment of the HR Function in JB

7.1 Phase I: Introduction

This section provides a description of how the company tends to use its HR practices. We will assess where the organization is now and where it needs to focus to get better in terms of using HR practices. This will be demonstrated by offering recommendations for each HR function in an attempt to improve the HR practices at the organization. It is important to indicate that information of this section was based according to structured interviews conducted with the HR staff at the company branch located in Lebanon. The interviewer was himself the person who conducted this project. The interviewer prepared a set of structures questions for each HR function. This section will present the method Jubaili Bros deal with the HR practices; namely Recruitment and Selection, Training and Development, Performance Management, Compensation and Benefits, and Employee Relations.

7.2 Method I: Interviews

Participants:

The first method used to collect data was through interviews. The researcher conducted three structured interviews with three individuals who work in the HR department at JB. The three people work as senior HR manager, recruitment officer, and compensation and benefits officer. They all work at the company's head office located in Lebanon. We chose to conduct interviews with these people because they are the ones who take the HR decisions for all company branches.

Measures:

The researcher chose to conduct interviews for two main purposes. The first purpose was to know the company's current state pertaining to its HR strategy and how the firm is performing its HR functions. The second purpose was to find gaps and weakness in the HR practices applied. Open ended specific questions were asked to the HR professionals during the interviews. The collected text data were analyzed and benchmarked against best strategic HR practices. Regarding the interviews' structure and organization, the interviewer designed and came up with the interview questions. Those questions were designed to answer the study central question: How to adapt JB's HR functions into strategic added value department. The first set of questions measured the organization effectiveness. This category of inquiries was designed to help identify gaps in the effectiveness of the human resources function as an organizational unit of the entire enterprise. The second set of questions measured the effectiveness of the five HR functions. This category of inquiry aimed to identify gaps in the effectiveness of the human resources function as a specialized staff resource in the five HR functions. The below HR functions were evaluated: Recruitment and Selection, Training and Development, Performance Management, Compensation and Benefits, and Employee Relations. Structured questions were designed for each HR function, and answers were given from specialized individuals pertaining to their role in the HR department. A copy of the interviews questions and exhibits are presented in the appendix one.

Procedure:

The researcher himself was both the moderator and interviewer for this study. The researcher documented and recorded the answers on a single sheet of paper. A recording tool was used

during the interviews in order to ensure accuracy of the data. A transcription of the data was then made to come up with conclusions.

7.3 Result 1: Interviews

1. Recruitment and Selection

The purpose of the recruitment and selection questions was to find gaps in this function so that the organization can improve its critical staffing needs in a timely manner and with quality candidates. The company's recruitment process depends currently on unplanned recruitment where there is no formal manpower planning method in place. The company hires candidates upon need from other departments and there is no workforce analysis taking place to identify ahead needed employees. In this regard, the HR department at the company uses its database, online applications, and walk in applicants to hire its needed people. They rarely depend on recruitment agencies for which they leave this option in case the department failed to hire the needed employees. Another source of recruitment the company is currently using is social media such as LinkedIn. The company is active in this regard where job posting is communicated to people through LinkedIn. On the other hand, employee referrals are also used for hiring people.

The company conducts three interviews with the candidates. This is done on a separate level where the candidate is interviewed first by the recruitment manager, and then by the technical manager leaving the final interview with the GM. The candidate should pass all the interviews to be hired along with passing the assigned written tests. It is important to note that company has created four intermediate tests to examine candidates' knowledge in certain areas. All candidates applying for an admin position must take an intermediate English and computer tests. In addition to these tests, accounting candidates must take also the intermediate accounting test. On the other

hand, engineering candidates must take the intermediate English, computer, and autocued tests. The final hiring decision is taken from the GM.

Below are some of the gaps that the interviewer found in this function.

- Lack of Use of Competencies in the Hiring Process:

The HR department don't yet have a finished competency model for which to use for hiring purposes. However, it is important to note that the company is working with consultants on having its own competencies.

- No Formal Timeframe for the Process:

The company's hiring process doesn't have a certain timeframe to hire people. The process could take two weeks or more to hire a candidate. This as a result would affect negatively the company in acquiring talented people and might leave positions vacant for a long time.

- Lack of Use of Internal Recruitment:

The company doesn't consider internal recruitment to be affective as other recruitment resources like employee referrals and others. Hence, employees aren't given the chance to move to other positions in case of good performance. As a result, this could affect employees' motivation levels which could impact employees' productivity in the long run.

- No Policy for Nepotism:

JB is a family business as indicated earlier and since it is family business, nepotism do take place in the hiring process. There is no such a policy that can prevent the use of nepotism or favoritism in hiring decisions. The use of nepotism could negatively affect the company productivity in the long term for which most of the time it brings unqualified people to the company. On the other

hand, the use of favoritism in the process would affect negatively the HR policy of acquiring talented people to the organization.

- Lack of Use of Situational Questions During Interviews:

The HR department tended to use mostly behavioral questions during interviews. We have identified a gap in asking situational questions. Asking candidates to describe past work experience (behavioral questions) is effective along with asking as well situational questions.

Most successful organizations use both kinds of questions when conducting interviews.

However, some candidates used to lie when they are asked situational questions. To avoid this, the interviewer may ask the same question in different situation.

- Employee References Are Made after Hiring Decision:

Collecting information about the candidate's past experience is sometimes made after the hiring decision. This is done especially when the HR department is forced to hire someone through favoritism. Hence, this would affect negatively the company in both short and long terms.

- Tests aren't Reliable nor Validated:

The tests being used at the company aren't considered to be reliable and valid. All of the tests were created by the company without following established best practices (find citation) and thus none of them were updated so far and that to match both the position requirements and current business trends.

2. Training and Development

The purpose of training and development (T&D) questions that were asked during the interview was to optimize this HR function as to match organizational objectives. The questions in this section focused on training needs and objectives, and addressed organizational issues.

The company (T&D) practices depend currently on training matrix which the company have created to assess training needs inside the organization. The organization's training matrix compose of the training programs that will be given to employees. Employees indicate in their performance appraisal that areas where they need to be trained on. This area is known in the appraisal form as "areas of improvement". Moreover, and to assess training needs, the company ask its employees to fill the personal development plan "PDP" on a monthly basis. Furthermore, departmental managers assist the HR department in assessing training needs. This is done by directly sending employees who need training in certain areas to attend training workshops. On the other hand, and after employees mention the training type they would like to attend, the HR department as a result contacts professional training centers to give the training. It is important to indicate that JB's training programs are conducted both on and off the job, leaving no space for online training. On the other hand, the company doesn't have a training officer who is only responsible for training programs. Training and development practices are conducted as part of the compensation officer tasks. In the same regard, JB doesn't have employees that are certified as trainers to conduct the training programs. Thus, most of the time the company contact professional centers to conduct the training. However, and although the company doesn't have certified trainers, most of the in house training for the maintenance department is conducted by internal employees. Below are some of the gaps that the interviewer found in this function.

- Most of the Training is Offered Only in Low Seasons:

JB tended to send their employees to attend training programs and workshops in low seasons. We understand the fact that the organization can't afford to send employees to attend training programs during high seasons, but it is still important to conduct training programs in such seasons. Taking into consideration the nature of high seasons where both employees and managers are busy to ensure customers satisfaction and achieve sales targets; some employees might find themselves need training in certain areas such as how to handle with stress and how ensure work life balance. Training needs usually appear in high seasons, and thus we believe it is important to conduct those training on the spot.

- Training is Outsourced to Training Centers:

It is a fact that training centers are called to give training, but we would advise JB to maintain internal training as well. This as a result would cut costs and develop potential employees inside the company. Maintaining internal training could be demonstrated by investing in having internal certified trainers. Hence, the company can send potential employees who have been at the company for a long time to take certain courses and that to become certified trainers in certain areas. After that, JB can use their knowledge to start giving training for other employees.

- Absence of a Training Officer:

We have found that the company doesn't have a training officer to handle the training and development practices. Training and development can't be handle as part of an individual tasks because it requires tremendous amount of time to assess training needs and coordinate with professional trainers.

- No Evidence of Career Consulting:

Career consulting is still important and most successful organizations do have such consulting. It is not necessary to hire external individual to offer career consulting, but it can be given to the training officer.

3. Performance Management

The current performance management system at the company is more limited into performance appraisal. The system is limited into evaluating its employees by using the performance appraisal form. The form composed of a set of competencies where employees are asked to rate their level in each competency using a scale from 1 to 10. A section is also given in the form where employees can list their strengths and weaknesses. Moreover, a section is provided at the end of the form which allows employees to mention areas where they want to improve. It is important to mention that although the HR department is merely focus on performance appraisal, the company is working with professional consultants to further improve their performance management process. The new modern performance management system will be based on competencies that are based on the organization mission and values. SMART objectives will be also included in the appraisal, and the company will train its departmental heads how to set up SMART objectives for employees to achieve. Furthermore, the new system will highlight clearly managers' roles and responsibilities in the performance process where they should follow to ensure effectiveness along the process. Thus, in this section we will describe the new performance management system and how does it work. However, we will not present any gaps in the current performance appraisals system and gave recommendations to ensure efficiency and effectiveness in the new system.

The new company's performance management process is designed to support employees plan their objectives at the beginning of the year and to know their performance throughout the year. It is also designed to help managers monitor and assess performance, coach and develop team members who are not performing and reward good and excellent performance. The company uses the self-review policy when evaluating its employees. This means that JB opens the door for its employees to evaluate themselves on assigned SMART objectives (mentioned below). Each departmental manager then conducts a meeting with each employee discussing with him/her the ratings over the assigned competencies. Then, departmental managers communicate with employees their feedback on the assigned objectives. The HR department took its 6 core values into consideration when designing the new system. Those values are; integrity, honesty, loyalty, commitment excellence, teamwork, and social responsibility. The system is also composed of a set of competencies that match the company mission and objectives. The company designed its competencies based on how they think, how they act, and how they work. It is important to note that the organization conducts its performance on a yearly-basis. The HR department has created SMART objectives for some positions in the company, and are included in the new system. In writing the objectives, the firm took into consideration where they want their employees to be and what steps needed to get there.

4. Compensation & Benefits

Like any other compensation systems, JB have a grading scale which put employees into a set of levels and each level is given a certain portion of money. The organization has a clear policy regarding employee compensation and all employees in the organization are aware of this policy. The policy is linked to the organization's management philosophy on compensating employees and it reinforces the values of the organization. Moreover, the compensation program

is based on job evaluation, and the company maintains job bands as a method to differentiate different positions. Furthermore, JB pay system is based on performance for which the company rewards its high performers who had proven professionalism and productivity in their jobs. In this regard, the company pay competitively to the market. To ensure external equity, the company works with professional consultants who study the markets in terms of how other similar companies are paying for similar positions.

On the other hand, and in terms of employee benefits, the organization have also a clear policy regarding employee benefits, and employees are aware of this policy. The company pays basic salaries to serve as financial benefits for all its employees. However, the company doesn't share its non-financial benefits with all employees. Non-financial benefits such as car and cell phone allowances are offered for certain positions in the company. Moreover, all employees are included in the NSSF and family allowances programs. In this regard, the company also encourages its employees to place certain amount of money each month for the health safety plan. This as a result would allow employees to receive medical services in case of illness without paying directly for these services. More data is needed however to learn why special allowance is allocated to certain employees. Due to limitation in this HR function, the interviewer wasn't allow to access JB's pay line system to analyze and compare it with market data. Therefore, we have presented below general recommendations for the company pertaining to the compensation and benefits function.

5. Employee Relations

This critical aspect of human resources management is broad in scope, complicated and difficult to measure. The questions in this section were designed to help understand and deal with

intangible employee relation issues. These include communication, how employees are treated, support systems and those conditions of employment conducive to employee satisfaction, motivation and productivity. The company has established an open door policy to deal with its employees. Hence and incase of inquiries, all employees are given the chance to communicate directly with their line managers, supervisors, and GM. However, the HR department has limited direct communications with the HR staff in the last years. The department found this as time consuming and encourage instead supervisors to meet with their employees. In this regard, the HR department conducts meetings with supervisors to teach them how to solve employees' problems. Moreover, the GM conducts weekly visits to the company warehouses to communicate directly with workers and to insure business operations are flowing properly. Furthermore, the company conducts forums which encourage employees to maintain regular interaction with each other and with the management. This is clearly demonstrated during workshops and training days.

On the other hand, JB have established policies that state its employee relations philosophy governing all conditions affecting employees. These policies are condensed into an employee handbook for which each employee is asked to sing his/ her handbook. Moreover, disciplinary procedures and rules of conduct are explained in the employee handbook.

7.4 Recommendation I: Interviews

Recommendations for Recruitment and Selection:

A list is made below to further improve the recruitment and selection function at the company, and to help the company have a strategic recruitment and selection process.

- The need to maintain workforce analysis:

After conducting the analysis, we advise the company to maintain a formal workforce planning process. Doing this would allow the company to forecast departmental future needs and to hire qualified people in a short amount of time. This also might lower the placement cost for the company. Maintaining workplace analysis is done by conducting interviews with line managers to study the recruitment need. Moreover, an assessment of current employees is recommended at this stage to analyze the job demand and the hiring need.

- The need to use competencies in recruitment:

As mentioned earlier, the company is working with professional consultants to create a set of competencies that match the company values. At a later stage, we would advise JB to divide each projected competency into levels ranging from joiner to executive levels. This as a result would help evaluators have the same competency used for different positions and in different levels. The company should also define well each competency and provide key performance indicators (KPIs) for each competency. Moreover, and when competencies are ready to be used, the company also can prepare a set of behavioral and situational questions for each projected competency. This as a result would simplify the process of targeting talented people to the company. Furthermore, behavioral anchored rating scale (BARS) should be used to facilitate the candidate's rating process. Hence, the recruiter can easily rate the candidate from a scale of 1 to 5 when he or she have the required competency. It is important to indicate that for each number in the scale there should be a clear "behavioral" definition of the required competency which would help in identifying how the candidate will behave during the job.

- The need for an assessment center:

After analyzing the company assessment tools and taking into consideration the size of the company locally and abroad, we would advise the company to create its own assessment center besides using the current tools. Having an assessment center would allow the company to hire qualified candidates. An assessment center is not necessary a physical place but instead it is a collection of assessment tools where the company use them to evaluate its candidates. Case studies, role plays, simulation tests, and work sample tests are all assessment tools that such center can have. Thus, when JB creates its own assessment center, it will the chance to conduct multiple assessments of candidates using multiple methods involving multiple assessors. However, assessors should be rigorously trained to observe candidate's performance.

- The need for structured interviews:

We recommend relying more on structured interviews during the recruitment process. Structured interviews don't mean only preparing interview questions ahead of time, but such kind of interviews consist of a series of job-related questions that are consistently asked of all applicants in order to staff a particular job.

- The need to establish a policy against nepotism:

Since nepotism might bring unqualified people to JB, there is a need to create a policy that refuses favoritism with all its forms during the hiring process. The policy would allow JB to go around nepotism by making all applicants take the required exams, and only when passing these exams; a hiring decision will be made. There is a big number of family business today like BLOM bank that go around nepotism by requiring all applicants to take their written tests.

Recommendations for Training and Development:

A list is made below to further improve the training and development practice at the company, and to help the HR department have a strategic training and development process.

- The need for a formal training assessment tool:

As mentioned earlier the organization uses the training matrix as a method for identifying training need. Indeed, the HR department the organization isn't maintaining a formal assessment for identifying training needs. Maintaining a training matrix wouldn't in fact add value to the organization since such kind of tool depends merely on employees' opinions. We believe it is not enough to ask employees to mention what kind of training they would like to receive. This is mainly true because some employees might not mention anything in the PDP form for which they see themselves effective in all areas. Some employees might even write anything in the PDP form just because they are obliged to do so. Thus, we advise the HR department to maintain a formal method for identifying training gaps. The ADDIE model of assessment, design, development, implementation, and evaluation comes here as an effective tool to help organizations evaluate training needs. In this model, information is collected to identify any gaps between actual job performance and desired job performance. If these gaps point to a lack of knowledge and skills, then employee training is desirable. This can be done by allowing the training officer to conduct formal interviews with all departmental and sectional managers. Conducting interviews would give the HR department the information its needs to know as to what kind of training needed in the organization. This is normally true because departmental and sectional managers engage more with their employees on a daily basis, and thus they know where training is needed.

- The need to have clear training objectives and goals:

We have noticed that training objectives and goals are set by the training institutions that the company deals with. We would advise the HR department to create its own training goals and objectives. This as a result would allow training centers to know what the company expects from the offered training programs. Another advantage of creating training goals is that it allows the company to effectively evaluate the training programs by benchmark each program with its goals and objectives.

- The need to create SMART Objectives:

As such, creating SMART objectives would allow the HR department to have objectives that can be tracked by a timely manner. Training centers can't mention SMART objectives on behalf the company although some of them do offer such kind of objectives. Creating SMART objectives should come from within the organization where internal interviews are made with line managers to find out objectives that employees should meet.

Recommendations for Performance Management:

- Setting Up SMART Objectives based on behavioral & Functional Competencies:

In order to come up with effective SMART goals, the company should set up goals for both its behavioral and functional competencies. For each competency, supervisors should be asked to develop SMART goals for their employees. Thus, in writing the objectives supervisors should be asked to describe the expected changes in the attitudes and behaviors in the short term. It is important to indicate that assessing employees' behavioral competencies and ignoring their functional competencies wouldn't add value to the performance appraisal process. The company will only have the chance to adjust or to improve their employees' behaviors (i.e. enhancing

communication levels). Add to this, it is hard sometimes to change employees' behaviors especially what it comes to their norms and culture. Therefore, the company should also take into consideration assessing its employees' functional competencies besides the behavioral ones. Doing so would allow the company to know its high and low performers. There are important functional competencies that the firm can adopt in its performance appraisal. Such competencies might be demonstrated to each job and to each function.

- Developing SMART Goals based on Job Description:

We advise the company to use its updated employees' job descriptions to draft out the SMART objectives. SMART objectives and KPOs are later used to assess employees' performance and to evaluate whether employees met the assigned objectives.

- The need to Assess Supervisors and HODs:

The company performance management process should be designed to assess all employees including supervisors and head of departments. Having two separate evaluation forms, one for the lower level employees and the other for supervisors and managers would in our opinion add value to the organization.

- Using 360-degree as an appraisal method:

The organization has adopted the open door policy for assessing its employees. After the evaluation form is filled by the employee, an employee would later sit with his or her line manager to discuss his performance and to receive feedback. In our opinion, the line manager at this stage might prejudice the performance result and thus disagreeing with the employee on certain performance criteria. We would suggest on the other hand to use another appraisal method. The 360-degree might help the company to have a fair and accurate performance

results. Adopting this method would allow the employee to rate himself on certain competencies as well will allow subordinates, customers, and managers to rate the employee on certain competencies and objectives.

- **Enhancing the Assessment Process Time Frame:**

Jubaili Bros conduct its performance assessment on a yearly basis, allowing its employees to receive a yearly feedback on their performance. We suggest assessing employees' performance every six month. Doing so would allow the company to know its high versus low performers in a short term, thus saving time and money to terminate its low players and rewards its high players.

- **Enhancing the Rewards Program:**

We suggest to reward high performers in the company and to come up with a clear policy that could explain the company's rewards methodology. The firm can adopt the profit sharing method to reward its employees, and therefore at the end of each year all high performers may receive a small package from the company revenues. This on the other hand would motivate both high and low performers to give their best to receive this attractive package.

Recommendations for Compensation and Benefits:

- **Insuring employees are paid relative to the market:**

It is important for the HR department to study the market and find out what other similar organizations are paying in terms of salaries. An observation we made is that employees on the lower end of the hierarchy should be paid also equal to the market. Jubaili Bros may want to consider being at par with the market across all levels of the organization to decrease the pay gap between senior and junior employees and to retain those at the lower end of the hierarchy.

Junior employees who are at the lower end of the hierarchy (i.e. store keepers, welders, and others) should be all in line with the market in regards to base pay and total cash. Some of them might be at a higher reward level than the market. This may indicate that they have reached a ceiling in this role and need to be moved to a new role at a higher level in the organization to remain at par with the market.

- Ensuring effective job evaluation:

The company should be aware of its employees' labeling method. If certain positions require same set of experience, then the company should place those positions in one level. If on the other hand a certain position requires more level of experience than others, this position should be moved to a higher level. The aim is to evaluate the job and not the job holder.

- Promotes those who have been in the role for a long time if their performance is satisfactory.
- If the performance is not satisfactory, JB needs to gradually exit those paid at a higher end of the pay scale due to tenure but not performing.
- If those employees are consistent high performers but do not have the necessary leadership to move up the career ladder to the next level, JB could enroll them in leadership training courses, coaching, or mentoring in order to build their leadership skills making them ready to take on a new challenge at a higher level in the organization.
- As proposed, the company should consistently adjust its job evaluation method and its job ranking method. Evaluating well the job base on job descriptions and leveling the jobs based on the job requirements and skills needed, would enhance the company pay line and make employees earn fairly comparing to the market. The company on the other hand would be able to attract and retain talents by sticking to the market data and designing the pay

structures base on the market segment chosen. Restructuring “salaries packages” on a timely manner would as a result ensure the right balance among the basic salaries, bonus, allowances and benefits.

- JB needs also to diversify and updates its rewards programs for which a rewards strategy must support the implementation of HR strategy. Examples of innovative and responsive rewards and benefits systems include goal sharing, gain sharing, profit sharing, stock sharing, merit pay, piece-rate pay and skilled-based pay.

8. Phase II: Introduction

8.1 Introduction

This section provides information of how the company is contributing to the HR value proposition model. We evaluated where the HR department is now in terms of achieving the model 14 criteria and where it needs to focus to get better in terms of adding value to the organization. Below is a description of the survey's participants, measurement used, and the procedure used to distribute the survey. Then again, we presented the results of the survey followed by recommendations to meet the HR model requirements.

8.2 Method 2: Survey Participants:

The second method used to collect data was through an online questionnaire. The survey was distributed online by email to 19 individuals who work at the company's HR department locally and abroad. Thus, employees were able to access the questionnaire through a link and provided their input without mentioning their names. The 19 employees work in Lebanon and in the MENA countries. The survey composed of 94 questions distributed for each criterion. Hence, each of the 14 criteria was evaluated through a set of questions as was indicated in previous sections. Figure 2 below represented our survey question that indicated the seniority level among our 19 respondents. The majority of our respondents are currently in the middle HR level. The rest of our respondents distributed to one individual in an entry level, five are in the senior level, and two in the executive level.

Figure 3 below represents the distribution of the sample which represented the HR employees' distribution among all of HR units at the company locally and abroad. The majority of our respondents work in Nigeria with a rating of 11 employees. The others are distributed in Lebanon and UAE.

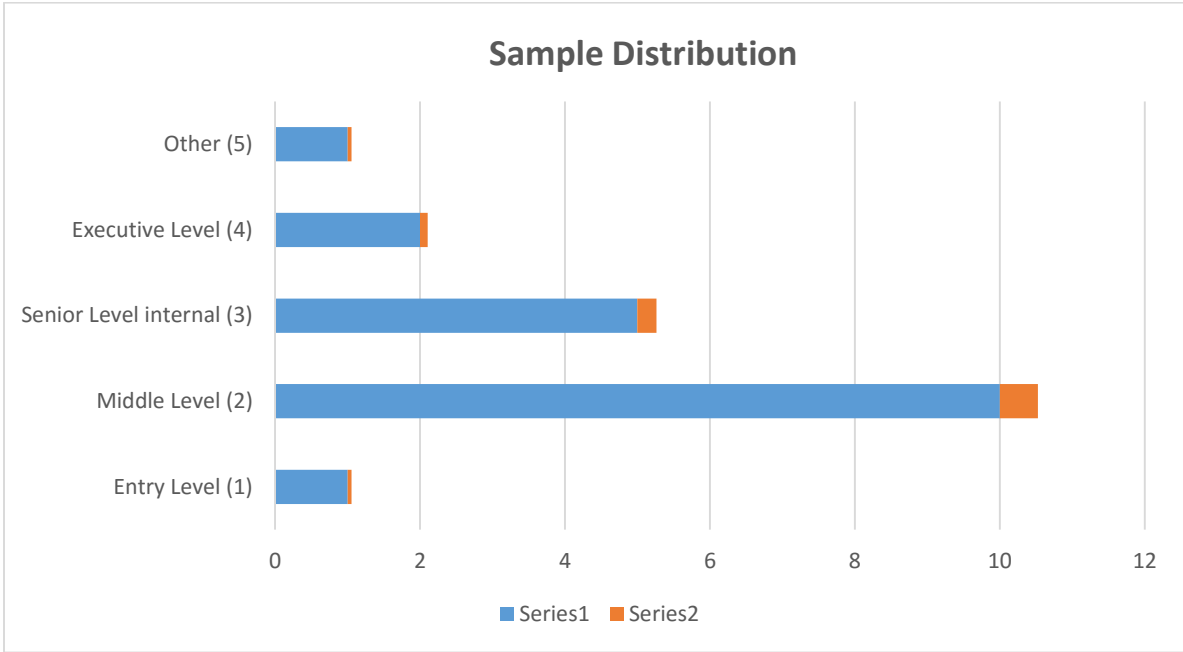


Figure 2: Sample Distribution

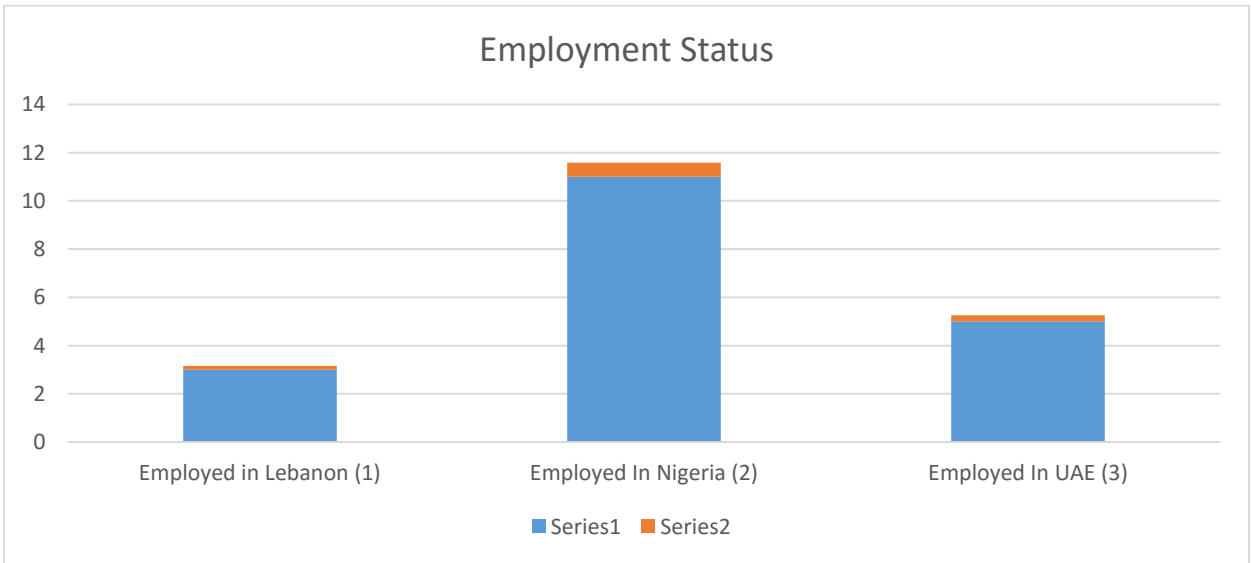


Figure 3: Employment Status

Measures:

To achieve our goal of drafting a transformation plan to upgrade the HR functions of JB; we had to test the model's 5 elements and its 14 criteria mentioned above. It is important to note here that in order to ensure accurate measuring of the model's five dimensions, the researcher had to use a survey whose items are previously established and tested. The survey was used in similar studies which proved accuracy and reliability (Hage, 2009). The questionnaire consists of 97 questions and it was designed using the Likert Scale. Questions were grouped according to each criterion. Thus, each set of questions measured each of the 14 criteria. On the other hand, the Likert Scale has five response categories ranging from five indicating "Extremely High" to one indicating "Extremely Low" requiring respondents to indicate their degree of agreement or disagreement with each of a series of statements about the criteria of effectiveness of the HR function in JB.

Procedure:

The survey was conducted over a period of two weeks during which we were closely and continuously monitoring the distribution of respondents. Among these 19 employees, all surveys were filled.

8.3 Results II: Survey

We have presented below a detailed analysis for each of the 14 criterion. We have chosen bar graphs to represent our data. We have placed question numbers related to each criterion on the x-axis and percentages of answers on the y-axis. We have presented below on bar graphs, percentages of the answers that ranged from 3 (moderate) to 5 (extremely high). It is important to indicate that for each question and criterion, we have sum up all percentages that ranged from 3

to 5. We have followed this method of data analysis because most of the answers in the survey ranged from 3 to 5.

As for what is considered a good score, we have chosen 75% as a good score. This is because most of the answers were above 70% which could indicate that most participants ranked positively the model's 14 criteria with some exceptions in two criteria. A 75% indicates that the company has a good state in a certain criterion. Thus, we wanted the company to achieve a good state in each criterion not a moderate (50%). We wanted the company to go beyond the moderate state and achieve a good state in all of the 14 criteria. This means that percentages that are below 75% are considered below the average and have scores either of very bad, bad, or close to moderate. We have chosen 75% as our average since most employees rated positively most items which as a result have increased the rating for most criteria. We believe this is normally happening in such kind of survey since most employees think ranking positively the items will not affect negatively their performance and thus they will secure once completing the survey.

Our scale from 1 to 5 represents the following: (1) is considered very bad and thus have a score/percentage of 0%, (2) is bad and have a score of 25%, (3) is moderate and have a score of 50%, (4) is good and have a score of 75%, and finally (5) is very good and have a score of 100%. We have highlighted items that recorded percentages below 75%, and gave recommendations for each criterion that has a score below 75%. Then again, we have calculated the overall effectiveness score for each of the 14 criteria. This was done by summing up all the percentages related to each criterion and then divided the sum over their number.

We have analyzed our survey after they were fully completed online. We have analyzed our data using the Excel software and exported the data from our online Lime survey. As mentioned above, each of the 14 criteria was tested through a set of questions presented in the survey.

Hence, criterion that was related to element number one was analyzed separately and an overall effectiveness score was given to each criterion. Each criterion was evaluated through a set of questions, and thus questions related to each criterion were grouped and analyzed and an overall score was given for each criterion. Each overall score represented the extent of effectiveness reach by HR in JB visa a vie each of the 14 criteria. Table 2 showed the total effectiveness score for each of the model’s five elements. We have highlighted the element that received the lowest score; in this case criterion 2 “serving external and internal stakeholders”.

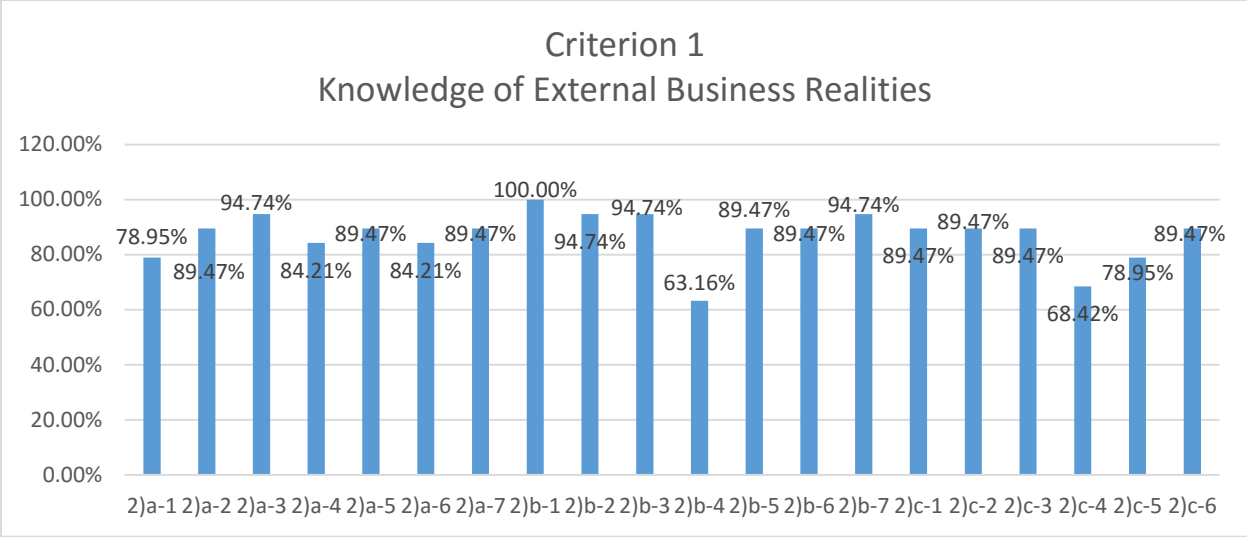
The five elements of the HR Value Proposition Framework	Overall Assessment
1. Knowing External Business Realities	87.10%
2. Serving External and Internal Stakeholders	79.23%
3. Crafting HR Practices	80.88%
4. Building HR Resources	83.33%
5. Ensuring HR Professionalism	83.42%

Table 2: Assessment of the Model’s Five Elements

Accordingly, table 3 below presented the survey results as according to each of the model’s 14 criteria. We have highlighted in red the criterion that received the lowest score. Criterion number two recorded 66.62% as to creating market value for investors by increasing intangibles. Criterion number seven recorded 72.37% as to managing performance management processes and practices in ways that add value.

Element	Actions Criteria for the new HR (An effective HR Function...)	Survey results
Knowing External Business Realities	1. Recognizes external business realities and adapts its practices and allocates resources accordingly	87.10%
Serving External and Internal Stakeholders	2. Creates market value for investors by increasing intangibles	66.26%
	3. Increases customer share by connecting with target Customers	81.20 %
	4. Helps line managers deliver strategy by building organization capabilities	85.26%
	5. Clarifies and establishes an employee value proposition	84.21%
Manages people processes in ways that add value	6. Manages people processes in ways that add value	85.53%
	7. Manages performance management processes and practices in ways that add value	72.37%
	8. Manages information processes and practices in ways that add value	77.90%
	9. Manages work flow processes and practices in way that add value	87.72%
Building HR resources	10. Has a clear strategic planning process for aligning HR investments with business goals	83.33%
	11. Aligns its organization to the strategy of the business	83.33%
Ensuring HR professionalism	12. Has staff who play clear and appropriate roles	88.42%
	13. Builds staff ability to demonstrate HR competencies	82.90%
	14. Invests in HR professionals through training and development experiences	78.95%

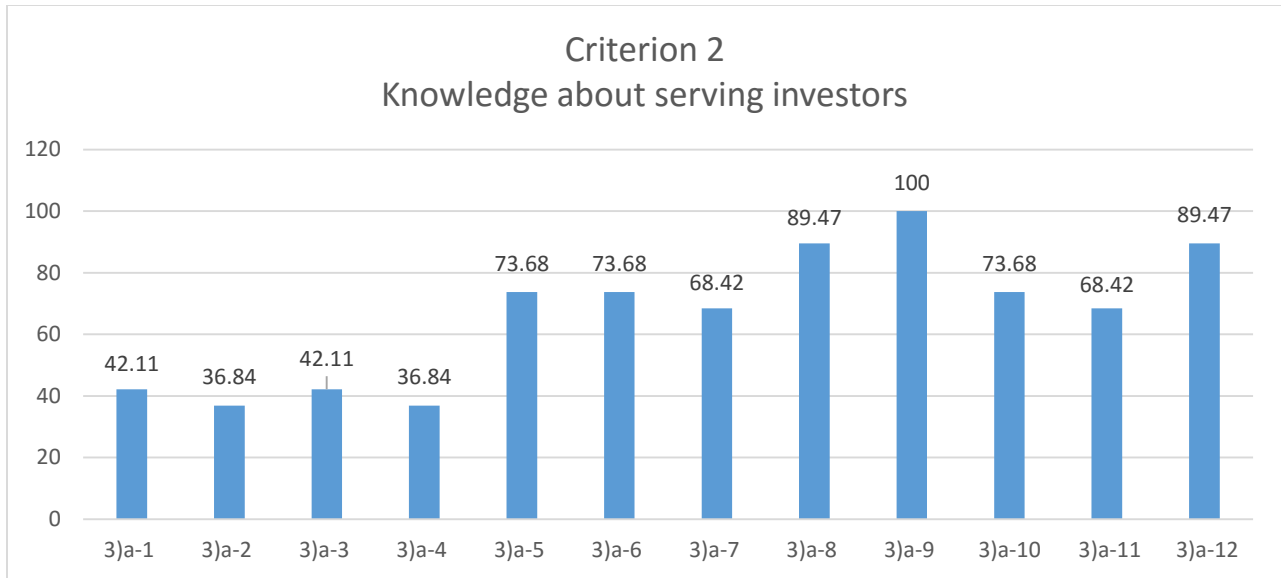
Table 3: Assessment of the Model's Fourteen Criteria



Graph 1: Element 1 Criterion 1: An effective HR function has HR professionals who recognize external business realities and adapt HR practices and allocate HR resources accordingly.

Overall level of effectiveness of criterion 1: **87.10%**

Graph 1 described results of effectiveness in Criterion 1, which turned out to be 87.10%. This means that all JB employees tended to moderately and strongly agree that they have knowledge of the external business realities. This high score shows that HR employees in JB have very good knowledge of the External Business Realities. It is important to indicate the criterion 1 has 3 components which are: knowledge of technology, knowledge of economic and regulatory issues, and knowledge of workforce demographics. Two of the indicators in this criterion listed below were rated less than 75%. Those are 2) b -4 “knowing current trends relative to mergers and acquisitions in the industry” and 2) c-4 “maintaining the experience and knowledge of retired workers”.



Graph 2: Element 2 Criterion 2: An effective HR function creates market value for investors by increasing intangibles.

Overall level of effectiveness of criterion 2: **66.26%**

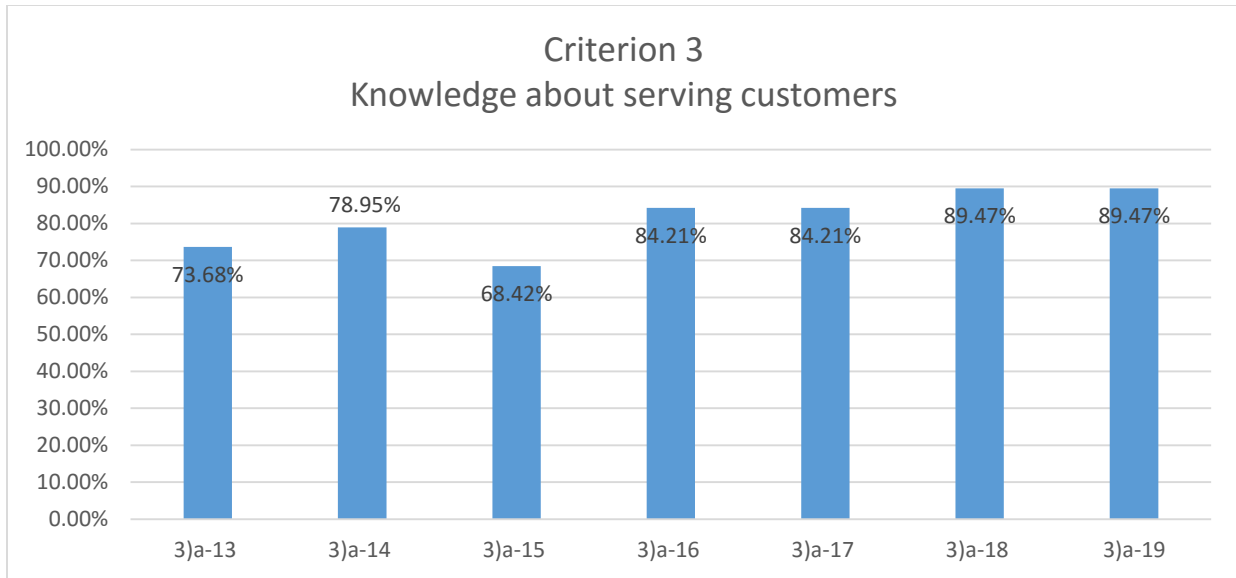
According to the HR value proposition model, HR specialists can add value by both knowing first key investors in the company and the reason of their investment. This on the other hand can help HR professionals to focus their efforts towards serving their investors by creating HR practices that could serve investors' needs. Element number 2 of the HR value proposition model looks for serving external and internal stakeholders of JB. We have divided element number 2 to four criteria. We have asked employees to rate their knowledge about serving investors in criterion number 2. On the other hand, criterion number 3, 4, and 5 measured employees' knowledge about serving customers, line managers, and employees respectively.

Graph number 2 measured employees' knowledge in serving JB investors. After analyzing criterion 2, we have noted that most employees lack the knowledge of serving investors. Thus, most employees have rated low that they are aware of how their HR departments can serve the company investors. These results describe the effectiveness of Criterion 2, which turned out to be only 66.26 %. Most employees moderately and strongly agree that they have knowledge in

serving JB investors. The low percentages of answers 3, 4, and 5 indicate that employees disagree and highly disagree for the items listed in our survey.

The items that received less than 75% are listed as below:

- Serving External Stakeholders (Investors)
- 3) a-1 JB's five major shareholders and the percentage each of them owns.
 - 3) a-2 the reason why they own JB stock and their investing criteria (such as dividends, growth, and so on).
 - 3) a-3 JB's price/earnings (P/E) ratio for the last year, and where it stands in comparison with the industry average and to the firm with the highest P/E ratio in my industry.
 - 3) a-4 the top analysts who follow the industry and their view of JB compared to competitors.
 - 3) a-5 the importance of keeping our promises to investors.
 - 3) a-6 the importance of imagining the future while investing in the present.
 - 3) a-7 the importance of putting the money where the strategy is.
 - 3) a-10 the importance of intangible value to total shareholder return.
 - 3) a-11 the importance of designing and delivering intangibles audit.



Graph 3: Element 2 Criterion 3: An effective HR function increases customer share by connecting with target customers.

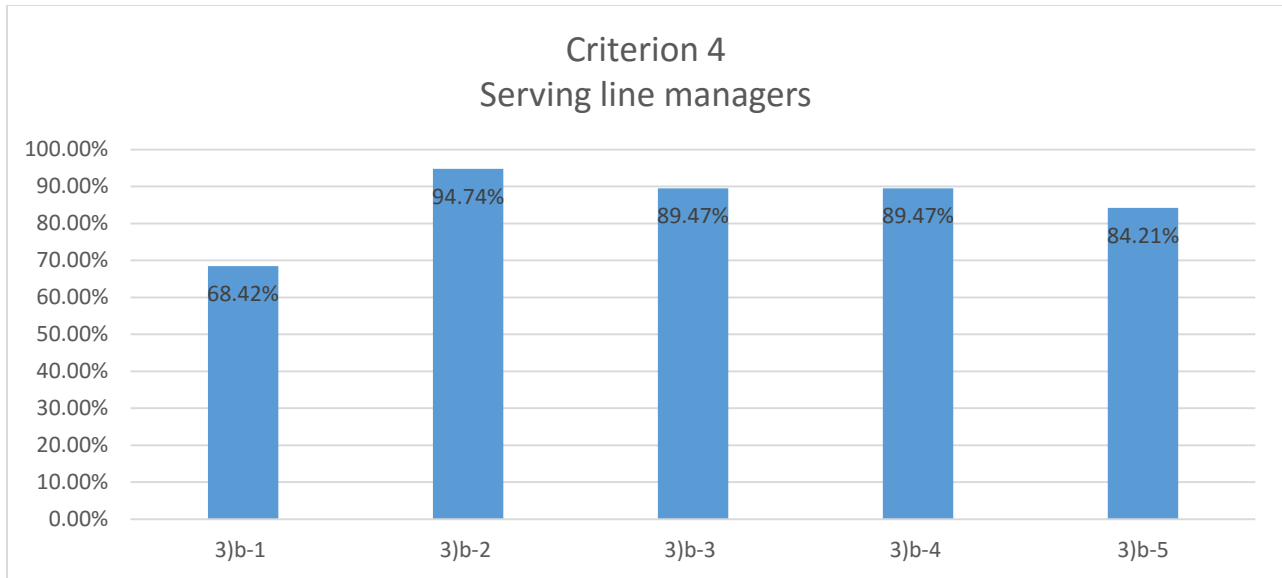
Overall level of effectiveness of criterion 3: **81.20 %**

Graph 3 presented results of serving JB customers. We have asked HR staff to rate their knowledge in serving customers. Most of the answers were positive with an overall score of 81.20%. This could indicate that most of the HR staff have a good knowledge in serving their customers. Thus, most employees moderately and strongly agree that they are good in serving customers. Few exceptions however are found in question numbers 3) a-13 and 3) a-15. We have presented below the items that received less than 75%.

- Serving External Stakeholders (Customers)

3) a-13 the five major buyers in the markets JB serves

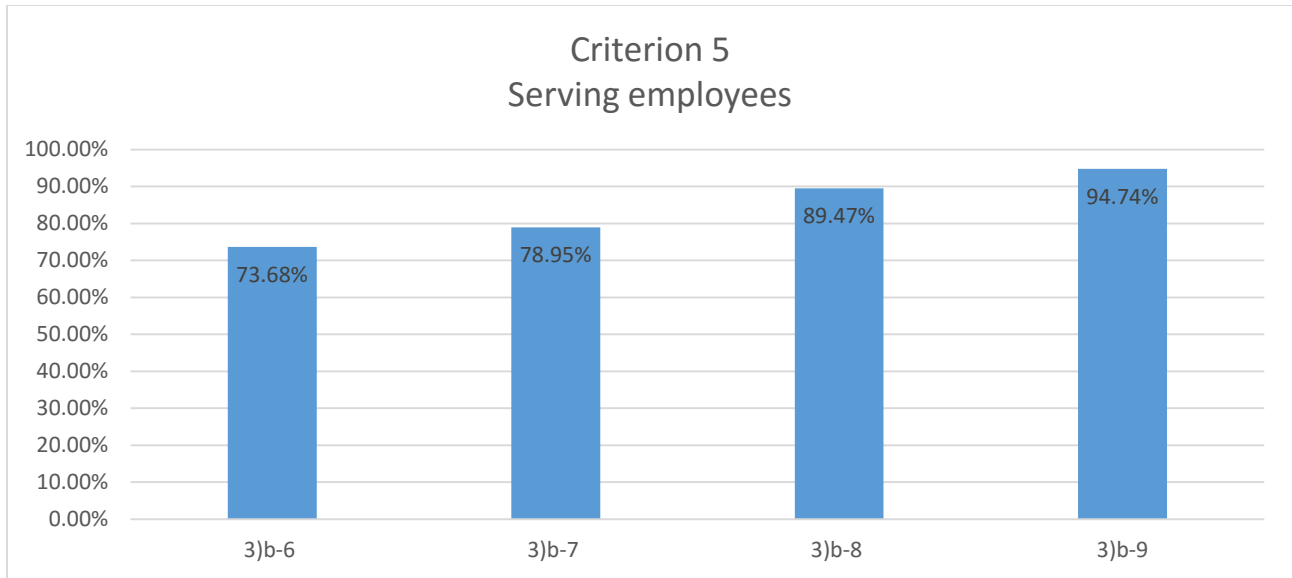
3) a-15 target customers' buying criteria.



Graph 4: Element 2 Criterion 4: An effective HR function helps line managers deliver strategy by building organization capabilities.

Overall level of effectiveness of criterion 4: **85.26%**

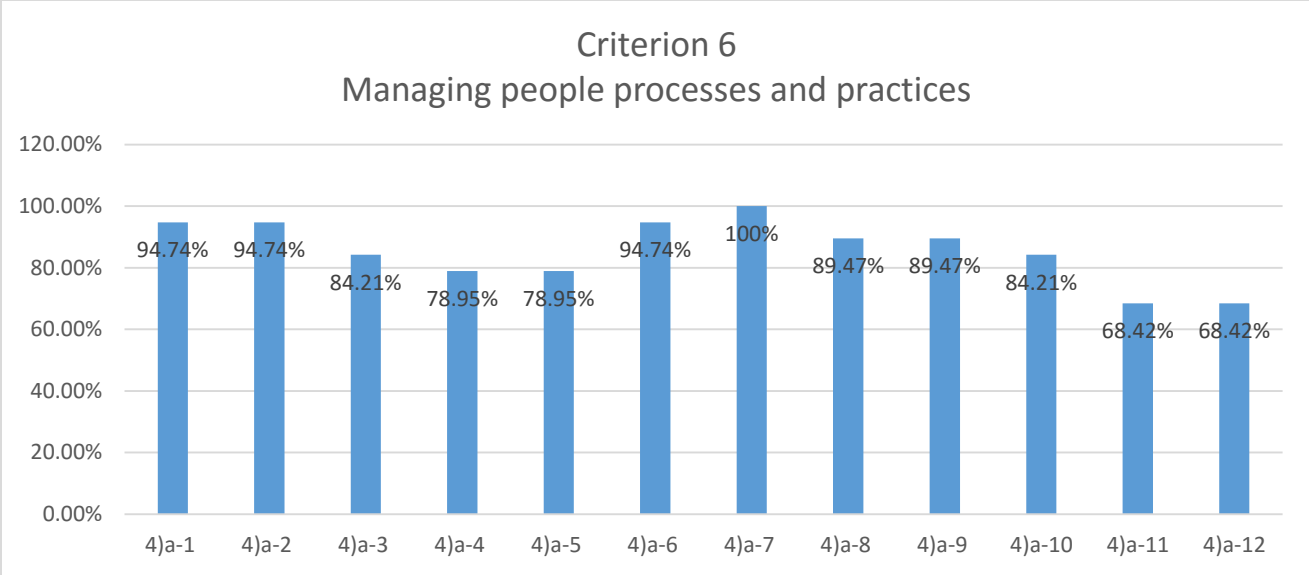
Criterion 4 measured JB’s HR department ability in helping line managers to achieve organizational strategy. After analyzing our data, we have noted that most of the HR staff help the company line managers achieve organizational strategies. With an overall score of 85.26%, most of the HR staff moderately and strongly agreed that their HR department support line managers to deliver value for the company. However, some exceptions were recorded in question 3) b-1 as only 68.42% of respondents moderately and strongly agreed that their HR department resolve misconceptions line managers have with the HR department.



Graph 5: Element 2 Criterion 5: An effective HR function clarifies and establishes an employee value proposition and enhances individual abilities.

Overall level of effectiveness of criterion 5: **84.21%**

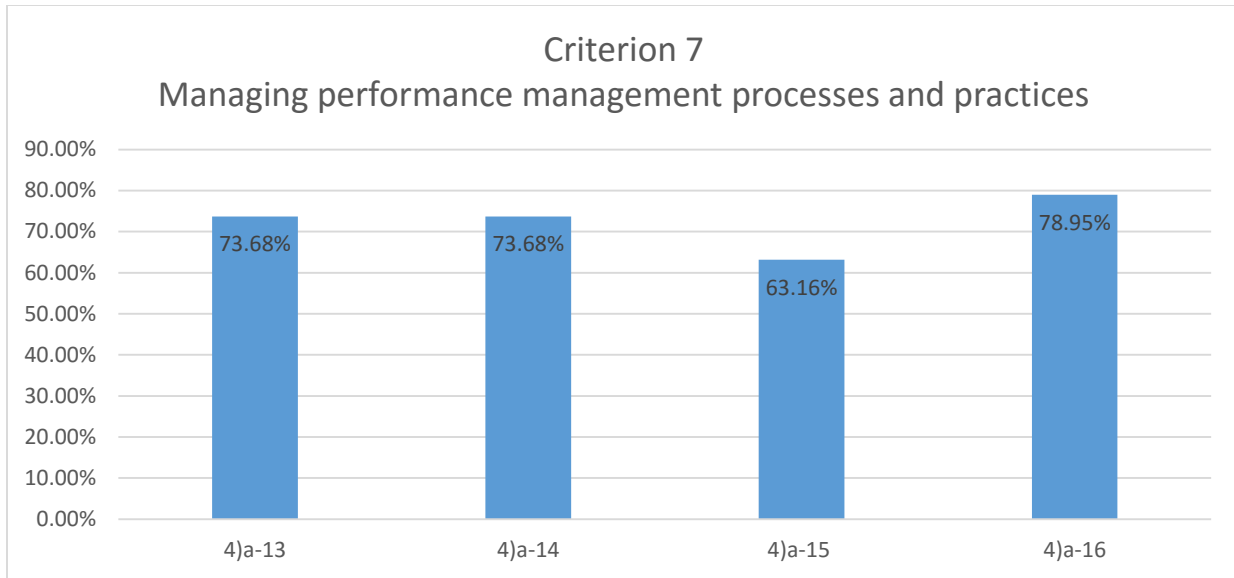
Criterion 5 measured JB's HR department ability in serving employees to achieve organizational objectives and to enhance their abilities. After analyzing our data, we have noted that most of the HR staff help the company employees to enhance their abilities to achieve organizational strategies. With an overall score of 84.21%, most of the HR staff moderately and strongly agreed that their HR department support employees to deliver value for the company. However, some exceptions were recorded in question 3) b-6 as 73.68 % of respondents moderately and strongly agreed that their HR department create an employee value proposition (EVP) that lets employees know they are valued and are allowed to add value. The percentage here is close to the average 75% which could mean that HR staff tended to moderately agree that their HR department create an employee value proposition.



Graph 6: Element 3 Criterion 6: An effective HR function manages people processes and practices in ways that add value.

Overall level of effectiveness of criterion 6: **85.53%**

Criterion 6 measured JB’s HR practices and the department ability to effectively managing people processes. Criterion 6 recorded a very good overall score of 85.53%. This could indicate that the HR department at the company manages effectively its HR practices in a way that adds value to the organization. Almost all HR staff at the company moderately and strongly agree that their HR department maintains an effective recruitment, training, and employee relations programs. The HR department thus locates people of ability who help the company achieve its target objectives. Moreover, the department engages in developing its employees and this have been reflected in training programs. On the other hand, minimal exceptions were found in question number 4) a-11 (take proper measures to retain talent) and 4) a-12 (promote the right people) with scores of 68.42% for both.



Graph 7: Element 3 Criterion 7: An effective HR function manages performance management processes and practices in ways that add value.

Overall level of effectiveness of criterion 7: **72.37%**

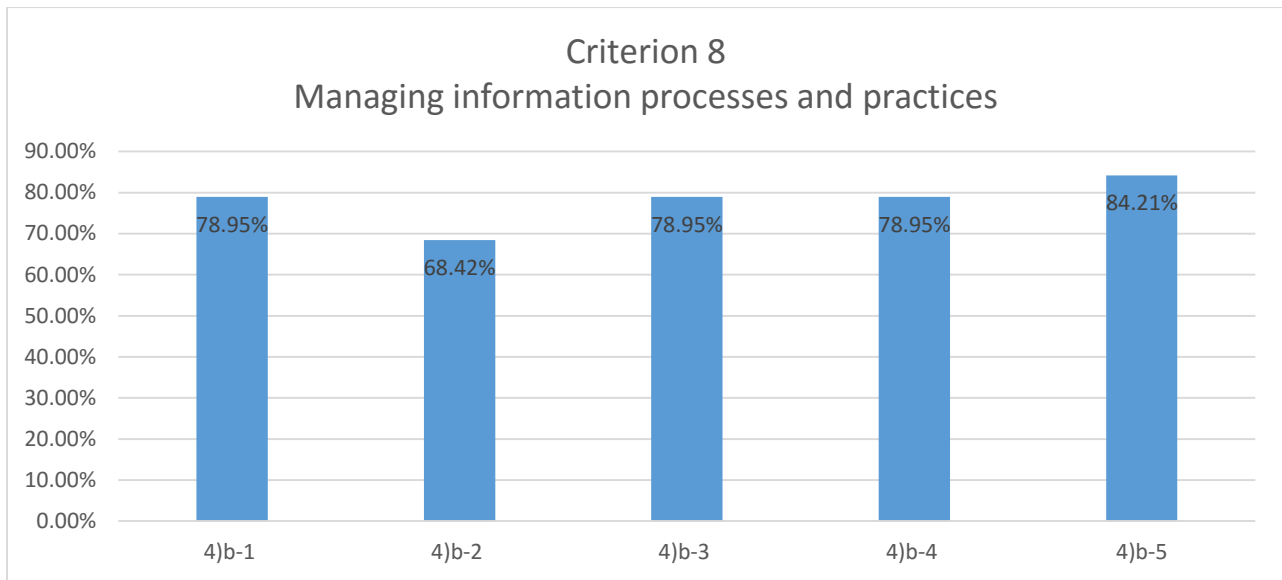
Criterion 7 measured how the HR department use its performance management processes in a way that add value. After analyzing our data, we have noted that the company’s performance management process lacks the basic standers for evaluating employees. With an overall score of 72.37%, most of the HR staff at the company moderately and strongly agree that the company have effective performance management process. Thus, the score is below 75% which could indicate that the performance management used have some disadvantages. We have presented below the items that have a score below 75%.

- Manages performance management processes and practices:

4) a-13 Set clear standards and measures that drive performance.

5) a-14 Allocate financial rewards linked to meeting performance standards.

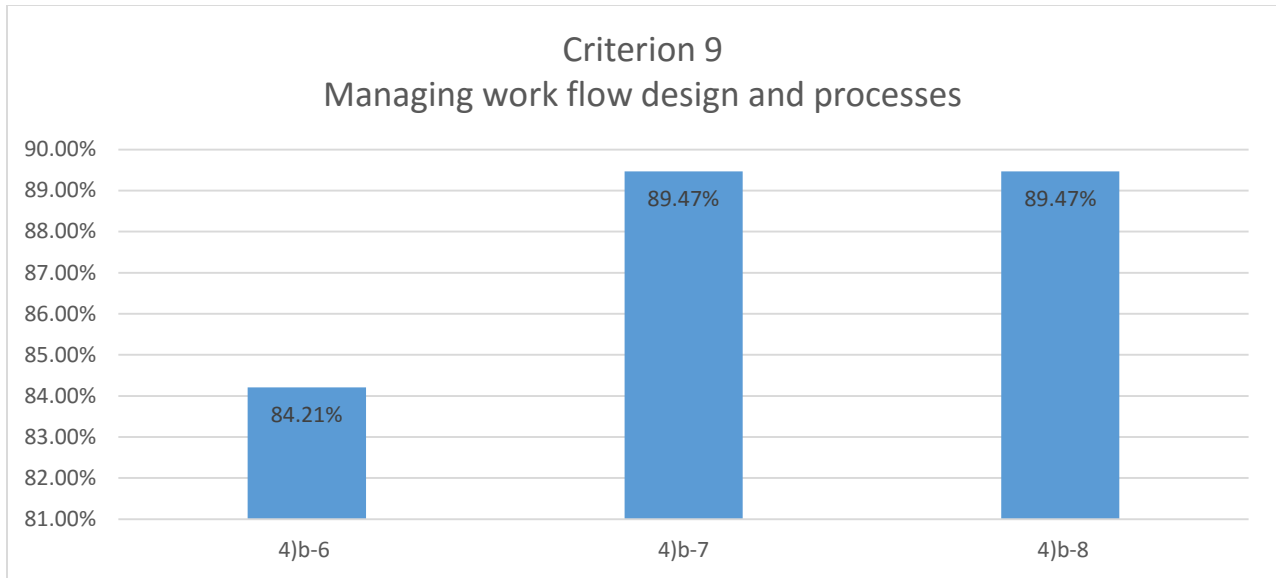
6) a-15 Allocate non-financial rewards based on meeting standards.



Graph 8: Element 3 Criterion 8: An effective HR function manages information processes and practices in ways that add value.

Overall level of effectiveness of criterion 8: **77.90%**

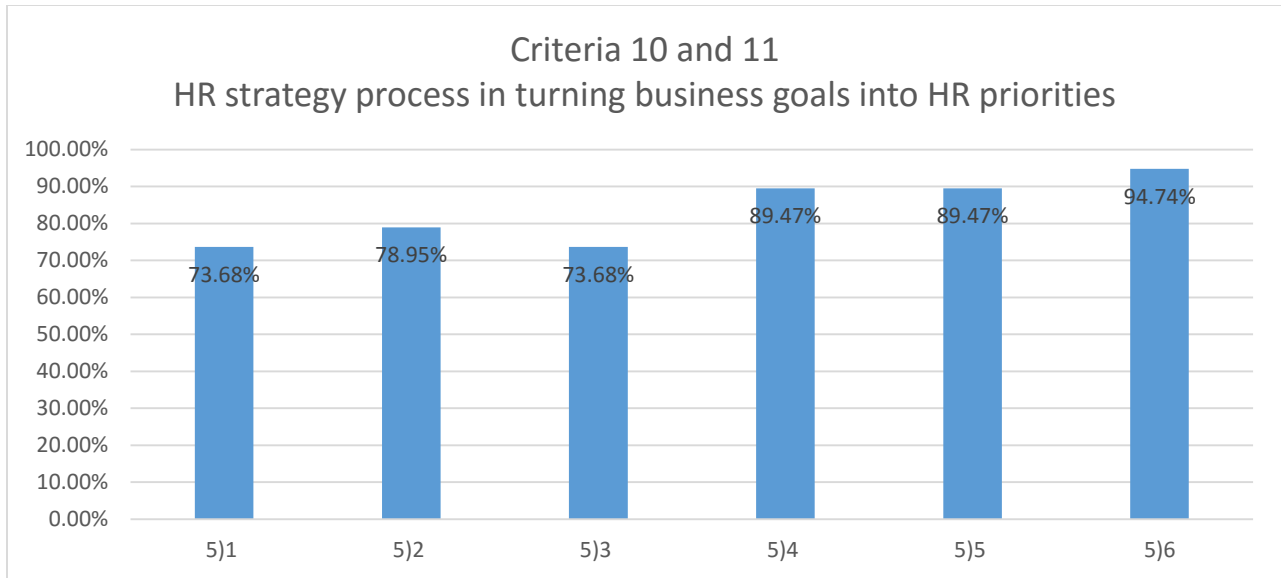
Criterion 8 measured the HR department ability to effectively communicate with stakeholders and line managers in a way that add value. After analyzing our data, we have noted that the HR department moderately communicates the brand image with its stakeholders and line managers. With an overall effectiveness score of 77.90%, most HR staff at the company moderately and strongly agree that the company have effective communication strategy between line mangers and stakeholders. The result is mediocre and not very much encouraging mainly in the item mentioned below. It was found that HR professionals lack the ability to create and gather information through joint interaction with customers. Item number 4) b-2 have recorded 68.42% of total effectiveness.



Graph 9: Element 3 Criterion 9: An effective HR function manages work flow design and processes in ways that add value.

Overall level of effectiveness of criterion 9: **87.72%**

Criterion 9 measured the HR department ability to deliver the work as to who, how, and where the job should be done. The overall level of effectiveness of criterion 9 is 87.72% which is a very good score. This means that the HR staff moderately and strongly agrees that their HR department effectively manages work flow design and processes. The Results of criterion 9's effectiveness show that JB HR professionals make the best choices relative to "where" the work should be done, the poorest choices relative to "how" the work should be done (e.g. individual production, interactive team, virtual team, horizontal organization, etc.) and acceptable choices relative to "who" should do the work. We recommend the company to maintain this level of effectiveness in the long run.



Graph 10: Element 4 Criterion 10 and 11: An effective HR function aligns its organization to the strategy of the business, and has a clear strategic planning process for aligning HR investments with business goals.

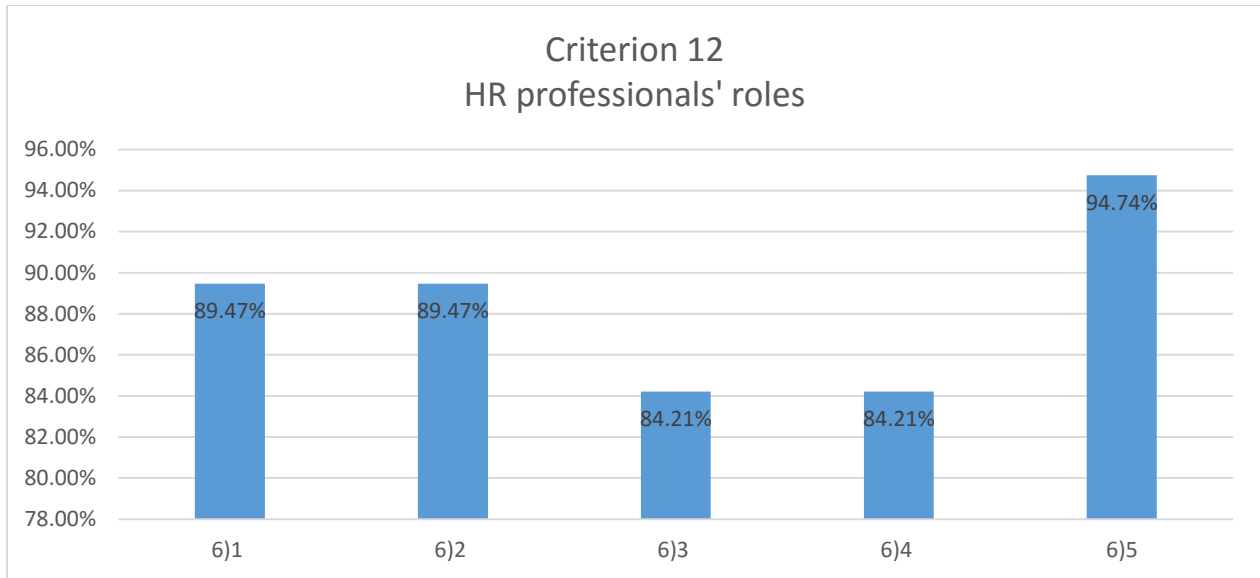
Overall level of effectiveness of criteria 10 and 11: **83.33%**

Criterion 10 and 11 assessed the organization ability in aligning the HR strategy with business strategy. This was done through evaluating whether the company identify key HR practices (e.g. recruitment, promotions, training & development, etc.) that support JB's business strategy.

Moreover, we have assessed whether the department prioritize trends in the business environment whenever an HR strategy is being developed for a certain business unit.

The overall score of criterion 10 and 11 was 83.33%. This could indicate that the HR professionals in JB have rated the HR function as the best at aligning its organization to the business strategy, and having a clear strategic planning process for aligning HR investments with business goals. In fact, the HR department at JB seeks to meet the organization mission and vision. This has been demonstrated by recruiting talented people who are able to meet business objectives. Another method used in this regard is through investing in training programs for

which to help key people meet business goals. However, few exceptions have been recorded in items 5)1 “Prioritize trends in the business environment whenever an HR strategy is being developed for a certain business unit” and 5)3 “Figure out whether those advantages are being realized”.



Graph 11: Element 5 Criterion 12: An effective HR function has HR professionals who play clear and appropriate roles.

Overall level of effectiveness of criterion 12: **88.42%**

We have assessed in criterion 12 HR professionals' ability to play clear roles in assisting employees and line managers to meet business goals. Criterion 12 have recorded 88.42% of total effectiveness and this strongly indicates that HR JB professionals play clear roles in assisting employees and line managers to meet organizational objectives.

Results of Criterion 12 show that JB's HR leaders:

6)1 Make sure the employer-employee relationship is one of reciprocal value.

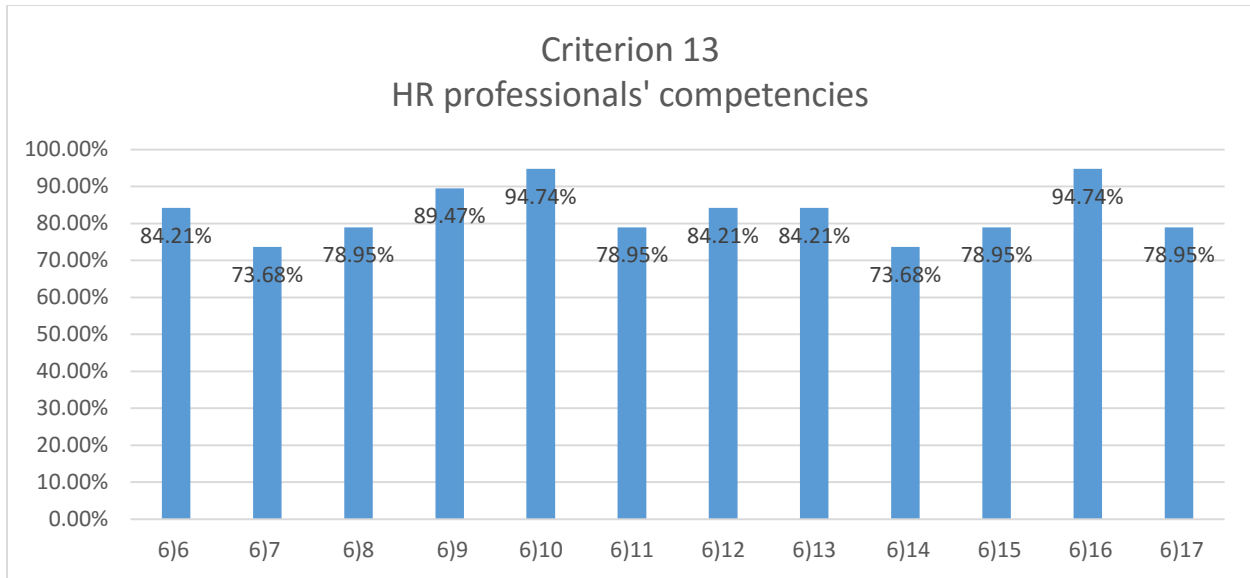
6)2 Build the future workforce.

6)3 Design and deliver HR practices that ensure individual ability and create organization capability.

6)4 Help line managers at all levels reach their goal, and

6)5 Act as genuine leaders, credible both within their HR functions and to those outside.

In other words, results of 6)1 indicates that HR professionals at JB invest in the employee – employer relationship by playing important roles in serving employees and line managers; results of 6)2 show that HR professionals at JB care about building the future workforce; results of 6)3 show that they care about investing in the employees’ ability to achieve organizational outcomes; results of 6)4 prove they also help line managers as strategic partners; finally results of 6)5 confirms them as leaders as well.



Graph 12: Element 5 Criterion 13: An effective HR function builds HR professionals who demonstrate HR competencies.

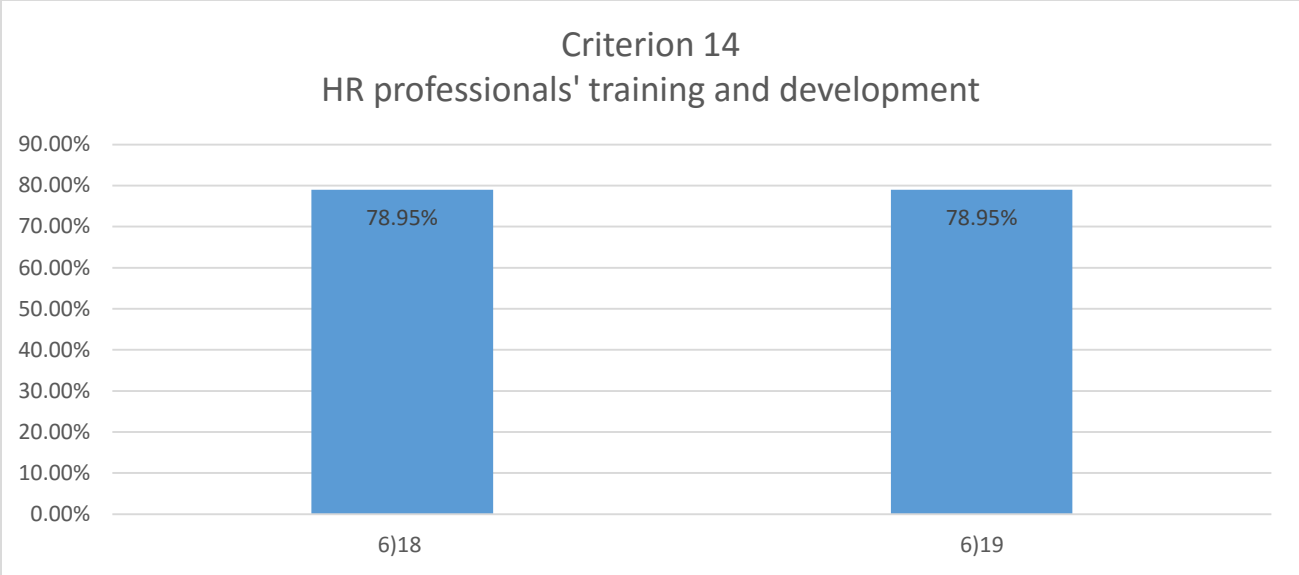
Overall level of effectiveness of criterion 13: **82.90%**

Criterion 13 measured the HR professionals' ability in demonstrating certain competencies.

Criterion 13 have recorded 82.90% of total effectiveness. Analyzing Criterion 13's results; it can be said that in terms of demonstrating HR competencies, HR professionals in JB lack the abilities to:

6) 7 Plan and implement large-scale interventions that make change happen quickly.

6)14 Design and deliver measurement and reward systems that motivate greater performance.



Graph 13: Element 5 Criterion 14: An effective HR function invests in training and development of HR professionals.

Overall level of effectiveness of criterion 3: 78.95%

We have evaluated in criterion 14 whether or not the HR department invest on its HR professionals by offering training and development programs. Analyzing our results, it was found that training and development at JB do take important consideration from the top management. With an overall score of 78.95%, the HR department invest in developing its HR professionals for future challenges.

8.4 Recommendations II: Survey

This section includes two set of recommendations. The first set of recommendations were made to help the HR department at JB meet the HR value proposition model requirements, and thus add value to the business. It is important to indicate here that recommendations to enhance the use of the HR model were for results that received less than 75%. The second of recommendations were made to improve the use of the HR practices used currently at the company. Thus, we have first focused below our recommendations for criteria that need attention from the top management.

Recommendations to Meet the HR Value Proposition Model Requirements:

- Criterion 1: An effective HR function has HR professionals who recognize external business realities and adapt HR practices and allocate HR resources accordingly

For Criterion 1, JB would have to focus on the current trends relative to mergers and acquisitions in the industry for which to advice top management of appropriate merging and acquisitions decisions related to the industry. Moreover, the HR department should invest in ways to maintain the experience and knowledge of retired workers. Experience of retired workers would help the company survive in the long run.

- Criterion 2: An effective HR function creates market value for investors by increasing intangibles

The weaknesses reflected in statements 3) a-1 to 3) a- 11 can be strengthened by inviting both JB' assistant general manager for finance and assistant general manager for operation to deliver information on JB key investors and shareholders. Hence, HR employees would be able to identify key shareholders in the company and what they need in terms of results. The HR

management at the company would be able then to adjust its HR practices towards meeting investors' goals and objectives.

On the other hand, we have noted that HR employees are being informed about the importance of serving JB investors and shareholders. This was reflected in the company core values and objectives. It is true thus employees are being informed about serving investors, but most HR employees don't understand how they could help investors meet their objectives.

- Criterion 3: An effective HR function increases customer share by connecting with target customers

The weaknesses reflected in statements 3) a-13 and 3) a-15 could be solved by maintaining basic communication with its entire HR staff. Doing this would allow the HR staff to know the company major buyers that the company serves, and thus identifying their needs. On an HR level, the HR department could adjust its functions to better solve customers' needs and requirements.

- Criterion 4: An effective HR function helps line managers deliver strategy by building organization capabilities

Solving misconceptions line managers have with the HR staff could be solved by conducting meetings with both the HR staff and line managers to discuss their problems and find ways to solve them. Branch HR managers can play here an important role in solving problems between line managers and HR staff.

- Criterion 5: An effective HR function clarifies and establishes an employee value proposition and enhances individual abilities

To achieve criterion 5, we advise the HR department to go beyond the moderate state by creating a clear employee value proposition that lets employees know they are valued and are allowed to add value. This could be done by rewarding employees who add value to the firm and by conducting basic communications to inform employees that they are allowed to add value.

- Criterion 6: An effective HR function manages people processes and practices in ways that add value

As the result indicated for criterion 6, the HR department lack the proper measures to retain talent and to promote the right people. Taking proper measures to retain talent and promoting the right people needs proper measures to retain talented people. Such measures could be demonstrated in offering financial and non-financial rewards for talented people and that to encourage them to stay. Another method for retaining talents could be presented in maintaining flexible time schedules. In addition, making talented people feel as if they are wanted and valued would motivate them to stay in the company. Moreover, choices in promotions should be done carefully and most importantly fairly since they affect all stakeholders. Thus, JB HR professionals should establish well defined criteria for promoting the right people.

- Criterion 7: An effective HR function manages performance management processes and practices in ways that add value

Taking into consideration criterion 7 results, we would advise the company to set clear standards and measures that drive performance. This could be done by conducting internal interviews with line managers to know expected objectives for which employees will be asked to accomplish. It would be helpful for the company to maintain SMART objectives for its performance management system. Employees thus will be working to achieve the required standards. Second,

we would advise the company to maintain financial rewards for employees who meet the expected standards. Employees mainly would like to be compensated for their extra efforts. Moreover, we recommend some non-financial rewards that HR department can share with employees. Such non-financial rewards might be allowing employees who met the required objectives to attend training programs. Furthermore, showing recognition and inviting employees to participate in the selection of new candidates, and allowing flexible time hours would encourage employees to keep meeting the required standards.

- Criterion 8: An effective HR function manages information processes and practices in ways that add value

Enhancing JB HR professionals' ability to create and gather information through joint interaction with customers could be implemented by effectively sharing information and communicating with stakeholders outside the company. Creating and gathering information through joint interaction with customers can be done in in different ways such as conducting meetings with customers to assess their needs and requirements. Moreover, HR professionals could also add value by assisting in knowing customers' complaints and thus asking employees to solve them.

- Criterion 10 11: An effective HR function aligns its organization to the strategy of the business, and has a clear strategic planning process for aligning HR investments with business goals

Item 5 1 states that an effective HR function prioritizes trends in the business environment whenever an HR strategy is being developed. Our result indicates that JB's HR department falls short behind taking into consideration business trends when creating an HR strategy. With a score of 73.68%, we would advise the HR professionals at the company to become more familiar

with the business trends relative to their industry. This would help shaping the HR strategy that best suit the firm and the business. As for item 5) 3 our results show that JB HR professionals fall short at identifying whether sources of competitive advantage are being realized. HR professionals should list JB's potential advantages; figure out whether those advantages are being realized, and build an HR strategy considering the sources of competitive advantages that JB needs to have to be even more successful. The high effectiveness results of the remaining items indicate that the HR department has a clear strategic planning process for aligning HR investments with business goals. In this respect, our good research results do not come as a surprise since JB has developed a disciplined process for creating an HR strategy that begins with business environment, focuses on cultural priorities, and ends with HR practices.

- Criterion 13: An effective HR function builds HR professionals who demonstrate HR competencies

We would recommend to measure any change that the HR department might face. This could be done by implementing large-scale interventions with both line managers and head of departments. On the other hand, and to motivate greater performance, the HR department at JB should offer financial and nonfinancial incentives for its hard workers. This could be implemented by offering flexible times schedules, free tickets, and or cash incentives for the company's hard workers.

- Criterion 14: An effective HR function invests in training and development of HR professionals

CHAPTER III

DISCUSSION

Gathering all deficiencies of the HR function in JB, and relating our findings to JB's Key Design Principles and JB's values; we can now identify the exact components that can be improved and what are the improvement actions needed.

The dominant principle of JB's seven key design principles is loyalty for customers, and most of the values of JB are focus on customer commitment. However, our results show that HR professionals in JB have limited knowledge about the industry's customers and how to serve them (criterion 3). Our recommendations would be for JB HR professionals to continually take steps to better understand customers' business and challenges to add value and maximize customer satisfaction and loyalty. HR professionals should also align JB's organization and activity to deliver customer value. Accordingly, JB's professionals in HR need to develop people practices that:

- Ensure that extraordinary people are placed in the customer interface to build extreme customer intimacy
- Develop customer literacy through trainings and coaching
- Provide accountability and rewards for customer value creation by aligning objective setting, measurement, and feedback and incentive compensation

Moreover, one of JB's values is teamwork. However, our survey results show that there is a lack of effective communication between employees and line managers in the sense that HR channels do not allow employees to be properly heard (criteria 5 and 8). Thus, we recommend that HR

presents employees with a simpler HR structure and few global decision making bodies that permit:

- Open communication with all HR units, regardless of hierarchical, organizational or geographic borders
- Sharing best practices and use informal discussion forums to search for ideas and advice from colleagues
- Consistent global communication and information sharing

In short, we recommend that JB's HR leaders give priority to remedy criteria 2, 7, and 8 because they are the backbone of the company's value proposition and help effectively deliver its principle values.

Human resource management has evolved from uncoordinated and simple personnel management actions to a set of well-defined functional HR areas that help an organization develop and sustain a competitive advantage in the business. Through several studies, researchers were able to positively associate the effectiveness of HRM with improved financial indicators such as market value per employee or sales per employee, and other indicators such as customer share.

Human resource management's effectiveness was positively correlated with integrated rather than distinct HR practices, while value added increased with more complex and strategic approaches where better alignment with business strategy took place. Although researchers have different opinions on the extent and elements of strategic HRM, the search for value-added empirical evidence appears to have brought proponents of the resource-based and those of the

stakeholders' approaches closer together. In addition, most researchers agree that for strategic HRM to succeed, top management should believe in it. Certainly, such a belief would be translated into more leverage to HR professionals by treating them as strategic partners who are central to the decision making of survival, success, and growth strategies of a business.

Accordingly, we have chosen to study the case of Jubaili Bros, a leader in the generators industry that practices strategic HRM; aiming to upgrade its HR function as to add more value to the firm's stakeholders; namely its customers, investors, employees and managers. JB's HR operating model is appropriately aligned with the company's operating model with a seemingly perfect HR function, well defined culture and well established HR strategy. However, the company does not have clear indicators to assess value creation through HRM. Thus we have based our study on Dave Ulrich and Wayne Brockbank's book, *The HR Value Proposition* published in 2005, which identifies these indicators as 14 criteria of effectiveness against which we were able to assess JB's HR function and accordingly propose a plan that would allow the HR function at JB to be a source of added value to the stakeholders. The assessment was done through conducting interviews with HR professionals in Lebanon and by distributing a survey completed by JB HR professionals in the Middle East and Africa. The purpose of maintaining interviews and surveys was to assess the use of HR functions and to offer insights on the general strengths and weaknesses of the company's HR function, with respect to the 14 criteria of effectiveness, and help pinpoint areas where improvement is needed, through the data collected from our targeted group. On the one hand, main findings showed that JB succeeded in building HR resources, defining its HR strategy, and aligning its HR organization to the strategy of the business. On the other hand, we have found that JB's HR professionals:

- Have extremely little knowledge about the company's shareholders and their criteria of investment. This have negatively affected in serving JB external and internal stakeholders.
- Have very limited knowledge about the industry's customers and how to serve them.
- Do not completely succeed at resolving misconceptions line managers have with stakeholders.
- Have confessed to some shortcomings in managing people processes and practices.
- Fall short at setting clear standards and measures that drive performance.
- Fall short at providing employees with JB financial and non-financial rewards.
- Fail at sharing information and communicating with stakeholders inside and outside the firm.
- Make the poorest choices relative to "how" the work should be done.
- Fall short at identifying sources of competitive advantage whenever an HR strategy is being developed for a certain business unit.
- Need to design and deliver more training programs that increase their competencies.

Moreover, JB HR professionals should add a consecutive component to our suggested courses of actions, which is a Follow-up Plan that will measure of the plan's impact on JB's HR function to added value to the business. Therefore, it is best to keep our plan open and so end this paper by recommending that JB HR leaders develop and use indicators such as Improvement Impact Measures that can be monitored and tracked to make sure that the transformation occurs. Some of the possible follow up measures could be:

- To draft assessment and literacy tests and evaluating the percentage of HR professionals who pass these tests. These literacy tests can be about external business realities, customers
- To monitor financial and intangibles ratios.
- To develop and administer surveys amongst employees, managers and even new recruits.
- To set targets and monitor achievements and to draft HR competences surveys.

CHAPTER IV

STUDY LIMITATIONS

The study investigated the use of HR practices at Jubaili Brothers to identify HR gaps in the HR department. This was done in an attempt to help the HR department move from an administrative to strategic department. As reflected in the analysis section, the author has conducted 3 interviews with 3 HR professionals who work in the company. Moreover, 19 research surveys were distributed to 19 HR staff who work at the company branches. However, studying strategic HRM requires a larger sample size and thus one limitation of this study is the sample size of the companies interviewed. The author recommends further research in this context for which to study two or three more organizations. Another limitation of this study, due to the constraint of time and the scope of the project,

The next step in research should be to investigate what factors are preventing HR functions in Lebanon from becoming strategic. The Lebanese culture and the prominence of family businesses in the region play an important role in preventing strategic HRM to be implemented in most Lebanese organizations. Further research should also investigate the relationship between SHRM and the prominence of integrated HR software.

It is important to note that the survey used for this study that was developed by Ulrich & Brockbank (2005), is a subjective opinion toll. This means that by nature of its subjectivity cannot be expected to yield an exact picture at first attempt. Thus, most of the answers were ranked positively taking into consideration the employees' mindset of job security. This is beyond the possibilities of this research effort. However, the paper will prove useful as a start trigger and to establish a measuring yard stick for future survey research.

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APPENDIX

Appendix: 1: Interview Questions

Exhibit 1. ORGANIZATIONAL EFFECTIVENESS

*This category of inquiry is designed to help identify gaps in the effectiveness of the human resources function as **an organizational unit** of the entire enterprise.*

Company Overview:

1. What is the vision, mission, and objectives of Jubaili Bros?
2. What is the current HR strategy?

Organization Mission and Purpose

1. What is the purpose of your HR department in the organization?
 - a. What are management's expectations?
 - b. What are employees' expectations?
 - c. What is the mission of the HR function?
2. What are the major human resources objectives?
 - a. Are the objectives consistent with the organization's mission?
 - b. Are the objectives communicated clearly?
 - c. Are the objectives agreed upon by the key people?
3. What are the critical priorities at present?
 - a. What is the relative weight of each priority?
 - b. What progress has been made in fulfilling these priorities?

Human Resources Structure

1. Describe for me the HR department Structure.
2. In what areas does HR exercise control? Who has authority in each area?
 - a. What services does HR provide and in which areas? To whom are services provided?
3. What is the reporting relationship?
 - a. At the corporate level, to whom does HR report, and why?
 - b. At the divisional or subsidiary level, to whom does HR report, and why?
 - c. Are there any issues associated with reporting? If yes, why?

Measuring the Effectiveness of the HR Department:

1. What forces determine or limit the behavior of the human resources employee in relation to others in the organization?
2. What is the company image of a “good” human resources employee?
3. Is functional leadership provided, and is its development encouraged?

4. What evidence is there that the HR function locates people of ability and integrity and then encourages them to undertake desirable action?
5. Are originality of thought, creativity of ideas, and critical evaluation of past practices encouraged and accepted?
6. What is the evidence that the HR function and the organization at large have a highly motivated workforce?
7. Is there a systematic plan for developing managers within human resources and within the overall organization?
8. What is the rate of turnover for human resources personnel?
9. Is it a stated policy to promote from within?

HR Policies and Procedures:

1. Are HR policies clear, and do they extend into most areas of operation?
2. Are HR policies kept current and developed as needed to meet problems that arise?
3. Are performance standards explicitly expressed?
4. Is there a formal process for reviewing and updating HR policies and procedures?

Functional Management

1. What is the level of know-how in the human resources function?
 - a. Functional disciplines (staffing, compensation, benefits, employee relations, management and organization development, health and safety, and human resources systems)?
 - b. Business and general management?
 - c. Current versus evolving needs of the business?
2. What is the HR function's ability to design and deliver services?
 - a. Meeting internal customers' requirements?
 - b. Managing the costs to deliver services?

Exhibit 2. FUNCTIONAL EFFECTIVENESS

*This category of inquiry aims to identify gaps in the effectiveness of the human resources function as a **specialized staff resource in the five HR functions**. The measured functions are as follow: Recruitment and Selection, Training and Development, Performance Management, Compensation and Benefits, and Employee Relations.*

Inquiries on HR Functions:

1) Recruitment and Selection:

The purpose of the Recruitment and Selection questions is to find gaps in this function so that the organization can improve its critical staffing needs in a timely manner and with quality candidates.

1. Describe for me the company's recruitment process?
 - a) How do you recruit people? (Employment agencies, E-recruitment, employee referrals, internal rec, job rotation, etc...)
 - b) Describe for me the recruitment process timeframe?
 - c) How many positions must be filled and over what timeframe?
 - d) How many employees do you currently have?
 - e) How many positions do you currently have and what skills, experience and competencies do these positions require? Why? *Note: I will ask to see job descriptions and competency model for some positions*
 - f) What methods of employee's selection do you use? (Written tests, role plays, case studies, work sample tests), why? *Note: I will ask to see a copy for each test if available.*
 - g) How do you ensure that tests being given are reliable and valid?

Note: Reliability: The extent to which a selection test provides consistent results
(R. Wayne Mondy)

Validity: The extent to which a test measures what it claims to measure
(R. Wayne Mondy)
 - h) What methods of assessment do you use; level of experience or educational background
 - i) Who take the employment decision?
 - j) To what extent do you use structured questions during job interviews?
 - k) What types of questions do you ask during an interview? (situational, behavior, job knowledge questions)
 - l) During job interviews, do you use any form of note taking?
 - m) To what extent your HR department is familiar with the Lebanese employment law?
 - n) How do you ensure fairness in the recruitment process?
2. Describe for me the company's workforce analysis method.
 - a) Do you conduct any sort of staffing need analysis?
3. How do you acquire talented people for the company?
 - a) Does the company have competencies for which are used in the recruitment process?
4. Is there a policy that deals with nepotism?
5. How do insure diversity in the rec process?

2) Training and Development:

The purpose of training and development is to optimize HR contributions to organization objectives. The questions in this section focus on training needs and objectives, address organizational issues (new products, technology, work methods and changing skill requirements) and gauge what impact training has on the organization's profitability.

1. Do you use any form of training at your organization? (On/off the job training/ online job training)
 - a) If yes, tell me what kind of training programs do you conduct and over what timeframe?
 - b) How often do you conduct training sessions or programs?
2. Is there a policy that states the organization's philosophy on employee training and development?
3. Is there a position within the organization accountable for overseeing and coordinating training and development activities?
4. Do the HR department encourage employees to attend training sessions, if yes what methods are used in this regard?
5. Is there a formal method for identifying a training gap? If yes, how do you conduct your training need analysis, and when was the last time you conducted a training analysis? Who participates in the assessment?
 - a) Do you use performance appraisal forms to identify areas where employees need to be trained on? Or do you conduct interviews with line managers to identify training gaps?
6. Is there a process to assess the organization's future training needs? If yes, how is this assessment carried out?
7. Are organizational issues, such as mission, objectives, cultural changes and customer orientation, considered in training needs?
8. Are employee development plans addressed in performance appraisals or other formal settings?
9. Is there a reference library of training and development material for employee use?
10. Do all training and development programs have clear/SMART objectives (For example, in a workshop on WordPerfect, a clear objective would be at the end of this training, participants will be able to use the Merge/Sort feature.)?
11. Are the results of training programs monitored and evaluated?
12. How do you know training is used back in the job? How do you know the training is used on the job?

13. Is there a method to track training costs in terms of lost work time?
14. Does your organization measure a return on investment in training?
15. On a scale of one to seven (seven being the highest and four being adequate), how do you think your Human Resources department team would rate the organization's training and development activities and performance?
16. On the same one-to-seven scale, how do you think your customers (other departments) would rate the training and development activities and performance?
17. Who usually conduct the training? HR staff?
18. Are training and development needs reflected in the organization's budget?
19. How the company develop its employees and over what timeframe?
20. Does your HR department offer career consulting for its employees?

3) Performance Management:

1. Does your organization have an employee performance appraisal system?
 - a. What performance management tools are used, and in which timeframe? *Note: I will ask to see the performance appraisal form.*
 - b. What critical performance factors are tracked, how are these factors tracked?
 - c. Are there records that show currently the headway each person is making toward his or her goal within the function and organization-wide?
 - d. How do you calculate the performance appraisal score?
2. Does the company performance management system allow line managers to sit with employees for planning their objectives at the beginning of the year and for knowing their performance throughout the year?
3. Who usually conduct the assessment, and do you communicate for employees the appraisal feedback, who in charge of this?
4. How do you insure fairness along the process?
5. Are there clear SMART objectives or key performance objectives for which employees are evaluated upon achieving them?
 - a. Are there SMART objectives for each position in the company?
 - b. Does the HR department set up SMART/KPOs objectives for behavioral, functional, or core company competencies?
 - c. Are there SMART objectives for each competency (i.e. in case of behavioral competencies; then there should be a SMART/ KPO for each behavioral competency)
 - d. Are the SMART/KPOs objectives based on relevant employees' job duties?

6. Are all employees evaluated on their performance including senior managers, HR staff, and branch managers?
 - a. If yes, do use separate appraisal form than the one used for low level employees, and on what competencies supervisors and managers are evaluated?
7. Do performance appraisals reflect an employee's positive behavior, as well as results?
8. Do performance appraisals include a written plan to improve employees' knowledge and skills?
9. Are pay plans linked to rewards for measured performance?
10. Does your organization have a pay-for-performance (merit-based) system?
11. Are ranges and limits clearly defined (e.g., pay increments linked to performance measures)?
12. Are other performance compensation awards (profit sharing) appropriate and in place?
13. Is there an improvement program for the human resources function?
14. On a scale of one to seven, how would you evaluate the company performance management system?

4) Compensation and Benefits:

Employee Compensation:

1. Describe for me the company's pay scale system.
 - a. How does the compensation system work?
 - b. Does the organization have a clear policy regarding employee compensation, if yes are everybody in the organization aware of this policy?
 - c. Is this policy linked to the organization's management philosophy on compensating employees, and does it reinforce the values of the organization?
 - d. Does the compensation policy contain procedures to guide managers on how to implement the compensation system?
2. Is your compensation program based on job evaluation, if yes which method is used to evaluate jobs (ranking method, job bands, hay job evaluation "know how, problem solving, accountability")?
3. Is compensation based on performance?

4. Does (Describe) your company pay lower, same, or more than the market? Does your company have an attractive compensation program relative to the market? How do you insure external equity for your compensation program?
5. Does (Describe) your organization have the capacity for a compensation strategy to attract, retain and motivate employees?
6. Did the HR department receive any sort of claims from employees regarding pay and rewards? If yes, what kind of claims did you receive and how did you fix them?
7. Are there Internal Equity in the firm's pay scale? If yes, how do insure internal equity? How it is measured?
8. Does your firm have some sort of coordination with consulting firms that study the market to find out what similar organizations are paying in terms of salaries?
9. On a scale of one to seven (seven being highest and four being adequate), how do you think the Human Resources department would rate the effectiveness of the compensation system?
10. On the same one-to-seven scale, how do you think your internal clients (other departments and employees) would rate the effectiveness of the compensation system?

Employee Benefits:

1. Does the organization have a clear policy regarding employee benefits?
 - a. Are pay ranges wide enough and procedures available to reward additional knowledge, skills, abilities and responsibilities and encourage lateral career growth?
 - b. What kind of financial and non-financial benefits/incentives does your HR department offer, and based on what?
 - c. Is the organization current on competitive employee benefit practices, such as childcare, flex-time, job sharing, vacation/sick time, time-off provisions and health plan alternatives?
2. Are your rewards aligned with business plans and results?
3. Is there one position within the organization accountable for fairly and consistently implementing employee benefit programs and ensuring compliance with governmental regulations, such as NSSF?
4. Is there a process in place to contain medical costs while offering quality health care to employees?

5) Employee Relations and Communications:

This section covers employee satisfaction. This critical aspect of human resources management is broad in scope, complicated and difficult to measure. The questions in this section are designed to help you understand and deal with intangible employee relation issues. These include communication, how employees are treated, support systems and those conditions of employment conducive to employee satisfaction, motivation and productivity. Three major issues are covered here: (1) communication, (2) employee treatment and (3) statistics as a gauge of employee satisfaction.

Communication:

1. Are there policies that state the organization's employee relations philosophy governing all conditions affecting employees?
 - a. Do these policies state expected behaviors of employees?
 - b. Are these policies condensed into an employee handbook?
 - c. How and to whom is the employee handbook distributed?
 - d. Is the employee handbook information reviewed by legal counsel to satisfy all laws affecting employment, personnel relations, working conditions, employment at will, implied employment contracts and disclaimer issues?
2. Is there one position within the organization accountable for overseeing and coordinating all employee relations and communications activities? If yes, what kind of claims the HR department usually face?
3. Is there a formal orientation for new employees?
4. Are employees given the opportunity to exchange information with superiors as well as assimilate information being transmitted from the top down?
5. Are there forums that allow for regular interaction and information exchanges between employees and management?
6. Are there forums in which religion concerns are conveyed to management with the intent of affecting positive changes?
7. Does your organization engage in employee opinion surveys? If yes, how frequently?
8. Do you communicate survey results to employees?
9. Is there a demonstrated commitment to introducing changes based on survey data?
10. Are there opportunities for employee professional growth?
11. Does the organization demonstrate, emphasize and reward leadership to ensure success and satisfaction in the organization?
12. Using a one-to-seven scale how do immediate manager practices rate in terms of daily supervision and management of employees?
13. Has the organization demonstrated reasonable employment security?

EXHIBIT 3. HR DEPARTMENT SERVICE QUALITY

This category of inquiry aims to identify gaps between employee demands and the human resources function's response to these demands. An essential element of analysis is the relative importance of a given service demand vis-a-vis the level of service provided by the HR function. Four scenarios are possible: (1) Services of high importance that are well-served, (2) services of low importance that are well-served, (3) services of high importance that are not well-served, and (4) services of low importance that are not well-served. The findings can be used to decide what services should be improved, what services should be discontinued, what services may require more education regarding their merits, and, most important, what services should be left untouched.

Service Quality Dimensions

Reliability

Ability to perform the promised service dependably, accurately, and consistently.

Responsiveness

Willingness to help employees and provide prompt service.

Courtesy

Politeness, respect, consideration, and friendliness of the contact staff.

Competence

Possession of necessary skills and knowledge to perform a given service.

Credibility

Trustworthiness, honesty, and integrity of the service organization.

Accessibility

Ease of contact and approachability of the service organization.

Communication

The process of keeping employees informed, in language they can understand.

Understanding Customer Needs

Ability to determine customer needs.

Appendix 2: Survey

Assessment of the HR function in Jubaili Bros (JB)

Dear Participant,

I am a Human Resources (HR) Consultant for Jubaili Bros, and HR master student working on my MHRM thesis. My project's aim is to draft a Transformation Plan for the transformation of the HR function in JB as to help the organization's HR department move from an administrative department to a strategic one for which it can add more value to the company. In order to reach my goal of drafting this plan, I will need to assess JB's HR function first as to highlight its strengths and weaknesses, and your input to this survey will allow me to do so. I have only contacted managerial HR staff at the organization located in Lebanon and I need to gather feedback from experienced employees in the HR field from other branches.

I will be assessing 5 elements of the HR function; namely external business realities, stakeholders, HR practices, HR strategy, and HR professionals. Following is the questionnaire that can help me collect enough data and establish a solid base for my recommendations. For each question identified, use the scale below and click the box that best fits your judgment. There is no right or wrong answers, only opinions.

Extremely High = 5 High = 4 Moderate = 3 Low = 2 Extremely Low = 1

Your contribution, without which I will not be able to achieve my objective, is very critical for my research. If you need extra clarifications, please advise me so and I would be ready to answer all your queries. Be assured the survey is anonymous and that all data you provide is confidential. It will not be forwarded to third party and will be used for academic purpose only as the MHRM Project at the "American University of Beirut".

Thank you for your support by taking the time to complete the survey. Please click on the link below to be directed to the survey.

Sincerely,

Afif Zarif

1) Please indicate to which HR function you belong:

- Entry Level
- Middle Level
- Senior Level
- Executive Level
- Other

2) Thank you for taking the time to fill out the survey. Please choose the number that best reflects your knowledge in each statement as shown below. Answer as truthfully as possible. There is no right or wrong answer and no one will be able to trace the responses back to you as there are no personal identifiers collected. The survey is completely anonymous.

1	2	3	4	5
Extremely Low	Low	Moderate	High	Extremely High

Questions	Scale: (See above)
a- Knowledge of Technology from a global business point of view, please rate to what extent you have this knowledge.	
1. The applications of technology that can enhance the design and delivery of JB’s services and solutions.	1 2 3 4 5
2. The ways technology can influence the ability of JB’s customers to act as a “smart mob” in evaluating and buying JB services and solutions.	1 2 3 4 5
3. The speed at which technologies that have direct impact on JB’s business are changing.	1 2 3 4 5
4. The ways technology can be used more effectively on a global scale to drive down costs per unit of service.	1 2 3 4 5
5. The ways JB directs the flow of information through technology so that the organizational whole is greater than the sum of the parts.	1 2 3 4 5
6. The ways JB employs technology to access sources of intellectual capital that the company might otherwise overlook.	1 2 3 4 5
7. The next generation of technology that might put JB ahead of, or behind its competitors.	1 2 3 4 5
b- Knowledge of Economic and Regulatory Issues from a global business point of view, please rate to what extent you have this knowledge.	
1. The past and current trends in the economy, and how those trends will influence the Electro-Mechanical industry at JB.	1 2 3 4 5
2. The ways the next decade likely to differ from the last, from an economic standpoint.	1 2 3 4 5
3. The ways productivity in JB compares to productivity trends in the industry.	1 2 3 4 5
4. The current trends relative to mergers and acquisitions in the industry.	1 2 3 4 5

5. Whether the industry is moving toward greater regulation or toward domestic and global competition.	1	2	3	4	5
6. The ways JB seizes market opportunities being created by global deregulation.	1	2	3	4	5
7. The pending legislation that is likely to have a major impact on JB, the ways to influence this legislation and the ways to prepare for it.	1	2	3	4	5
c- Knowledge of Workforce Demographics from a global business point of view, please rate to what extent you have this knowledge.					
1. The demographic trends that influence the labor supply for the industry.	1	2	3	4	5
2. The ways JB can better hire and use women leaders.	1	2	3	4	5
3. The ways JB can identify and accommodate key contributors who are immigrants educated in your country.	1	2	3	4	5
4. The ways to maintain the experience and knowledge of retired workers.	1	2	3	4	5
5. The ways the reduction in numbers of traditional families influence the industry.	1	2	3	4	5
6. The ways JB creates an inclusive environment for nontraditional workforce.	1	2	3	4	5
3) Assessment of HR's Service of External and Internal Stakeholders					
a- Serving External Stakeholders (Investors & Customers) from a global business point of view, please rate to what extent you have this knowledge.					
1. JB's five major shareholders and the percentage each of them owns.	1	2	3	4	5
2. The reason why they own JB stock and their investing criteria (such as dividends, growth, and so on).	1	2	3	4	5
3. JB's price/earnings (P/E) ratio for the last year, and where it stands in comparison with the industry average and to the firm with the highest P/E ratio in my industry.	1	2	3	4	5
4. The top analysts who follow the industry and their view of JB compared to competitors.	1	2	3	4	5
5. The importance of keeping our promises to investors.	1	2	3	4	5
6. The importance of imagining the future while investing in the present.	1	2	3	4	5
7. The importance of putting the money where the strategy is.	1	2	3	4	5
8. The importance of building value through organization and people.	1	2	3	4	5
9. The importance of creating HR practices that increase intangible value.	1	2	3	4	5
10. The importance of intangible value to total shareholder return.	1	2	3	4	5
11. The importance of designing and delivering intangibles audit.	1	2	3	4	5
12. The importance of aligning HR practices and investors' requirements.	1	2	3	4	5
13. The five major buyers in the markets JB serves.	1	2	3	4	5
14. JB's major customers.	1	2	3	4	5
15. Target customers' buying criteria.	1	2	3	4	5
16. The reason(s) why potential target customers like competitors better than JB.	1	2	3	4	5
17. The way JB insures that its target customers have a positive customer experience as to build loyalty and add value.	1	2	3	4	5
18. What JB does to build connectivity or intimacy with its target customers.	1	2	3	4	5
19. The way HR practices are aligned to customer values and involve customers.	1	2	3	4	5

b- Serving Internal Stakeholders (Line Managers & Employees) In JB, to what extent does HR?	
1. Resolve misconceptions line managers have of HR (e.g. the misconception that HR is irrelevant).	1 2 3 4 5
2. Build relationships of trust with line managers.	1 2 3 4 5
3. Focus on deliverables, not doubles (e.g. Offer rigorous and useful ways to deliver line managers' strategy and help them reach their goals).	1 2 3 4 5
4. Identify and prioritize capabilities line managers require to meet business goals.	1 2 3 4 5
5. Create an action plan for delivering these capabilities.	1 2 3 4 5
6. Create an employee value proposition (EVP) that lets employees know they are valued and are allowed to add value (The EVP specifies what employees will get from the firm when they meet expectations).	1 2 3 4 5
7. Represent employee interests to line managers so that employees are heard.	1 2 3 4 5
8. Deliver administrative support that genuinely serves and cares for employees.	1 2 3 4 5
9. Ensure that employees have abilities to deliver capabilities the organization needs if it is to survive and prosper.	1 2 3 4 5
4) Assessment of HR Practices	
a- Flow of People and Performance in JB, to what extend does HR?	
1. Build relationships with key sources of talent (e.g. faculty members and search firms).	1 2 3 4 5
2. Use referral hiring (e.g. from current employees, suppliers and customers).	1 2 3 4 5
3. Build an internet hiring strategy (e.g. presence on a website linked to recruiting services).	1 2 3 4 5
4. Target potential employees (e.g. via media, job fairs, build dossiers on candidates who rejected offers).	1 2 3 4 5
5. Work on increasing the "hit rate" (i.e. ratio of offers to acceptances).	1 2 3 4 5
6. Give new hires proper orientation efforts.	1 2 3 4 5
7. Make informed choices about training programs.	1 2 3 4 5
8. Offer employees development activities or opportunities to learn from experience (e.g. mobility, mentoring & coaching, outside experience, temporary assignments, and so on).	1 2 3 4 5
9. Make good choices in contracting for talent (e.g. outsourcing, consultancy, and so on).	1 2 3 4 5
10. Maintain relationships with former employees.	1 2 3 4 5
11. Take proper measures to retain talent (measures such as finding out why talented people leave and offering financial inducements or other kind of reward to stay).	1 2 3 4 5
12. Promote the right people.	1 2 3 4 5
13. Set clear standards and measures that drive performance.	1 2 3 4 5
14. Allocate financial rewards linked to meeting performance standards.	1 2 3 4 5
15. Allocate non-financial rewards based on meeting standards.	1 2 3 4 5
16. Give feedback on prior activities (e.g. follow up in terms of informal chat, explain the "why" not the "what", and so on).	1 2 3 4 5

b- Flow of Information and Work in JB, to what extend does HR?	
1. Have a clear communication strategy that meets the needs of stakeholders.	1 2 3 4 5
2. Create and gather information through joint interaction with customers (Outside-in Information Transmission).	1 2 3 4 5
3. Properly communicates the brand image (Inside-out).	1 2 3 4 5
4. Encourage top management to act consistent with their talk (Top down).	1 2 3 4 5
5. Acknowledge the importance of upward information flow.	1 2 3 4 5
6. Make the right choices relative to “who” should do the work (e.g. corporate portfolio, single business unit, outsourcing, etc.).	1 2 3 4 5
7. Make the right choices relative to “how” should the work be done (e.g. individual production, interactive team, virtual team, horizontal organization, etc.).	1 2 3 4 5
8. Make the right choices relative to “where” should the work be done (e.g. space, physical proximity, customer contact, environment, etc.).	1 2 3 4 5
5) Assessment of HR Strategy	
In JB, to what extend does HR?	
1. Prioritize trends in the business environment whenever an HR strategy is being developed for a certain business unit.	1 2 3 4 5
2. Identify sources of competitive advantage whenever an HR strategy is being developed for a certain business unit.	1 2 3 4 5
3. Figure out whether those advantages are being realized?	1 2 3 4 5
4. Help shape a defined culture.	1 2 3 4 5
5. Help shape a defined culture and recommend supporting behaviors.	1 2 3 4 5
6. Identify key HR practices (e.g. recruitment, promotions, training & development, internal communications, leadership, etc.) that support JB's business strategy.	1 2 3 4 5
6) Assessment of HR Professionalism	
In JB, to what extend does HR?	
1. Make sure the employer-employee relationship is one of reciprocal value.	1 2 3 4 5
2. Build the future workforce.	1 2 3 4 5
3. Design and deliver HR practices that ensure individual ability and create organization capability.	1 2 3 4 5
4. Help line managers at all levels reach their goal.	1 2 3 4 5
5. Act as genuine leaders, credible both within their HR functions and to those outside.	1 2 3 4 5
6. Design and deliver a culture-based HR strategy that links the internal culture to the requirements of external customers and the business strategy and focuses HR activities to create and sustain the required culture.	1 2 3 4 5
7. Plan and implement large-scale interventions that make change happen quickly.	1 2 3 4 5

8. Contribute to business decision making by critiquing the existing business strategy, by having a personal vision for the future of the business, and by raising the standard of strategic thinking in the management team.	1	2	3	4	5
9. Have good relationships with employees and managers based on respect and confidence.	1	2	3	4	5
10. Effectively communicate with others in writing and in speaking.	1	2	3	4	5
11. Design and deliver staffing cycles that include hiring, promoting, transferring, retaining and firing.	1	2	3	4	5
12. Design and deliver developmental agendas that integrate individual and organizational learning and development.	1	2	3	4	5
13. Design organizational structures and work processes.	1	2	3	4	5
14. Design and deliver measurement and reward systems that motivate greater performance.	1	2	3	4	5
15. Have knowledge of how the company creates value through portfolio management and meeting requirements of the competitive market place.	1	2	3	4	5
16. Have knowledge of labor law and effective labor relations.	1	2	3	4	5
17. Apply information systems technology to HR processes.	1	2	3	4	5
18. Invest in its HR professionals through training.	1	2	3	4	5
19. Invest in its HR professionals through development.	1	2	3	4	5