

Addressing the challenges in Evolution of HR function to become a strategic business partner



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Abstract:

Human Resource function has gone through multiple phases and seen multiple structures in its evolution through the years. Arriving at an ideal structure that best meets the needs of adding to the well-being of the people and adding economic value to the organization is yet to be reached. Reviewing the literature available on Human Resource Function's evolutions reveals that HR over the years has strived to transform itself from being an administrative function to becoming a strategic function. One of the biggest proponents of HR function to play a more strategic role has delineated the benefits of this transformation (Ulrich, 1997). Although few in number, but there are case studies and examples of firms which have taken steps towards devolving some of the administrative work and taking up more strategic work (e.g., Alvares, 1997), empirical data regarding the characterization of firms in the administrative vs. strategic camp is seldom found. Despite arguments being plenty in favor of HR function becoming a strategic partner, devolution of the administrative part has not materialized as envisioned (Mohrman, Lawler & McMahan, 1996). It is thus imperative to understand the conceptualizations of human resource management and understand how the framework of a matrix based organization function in such a paradigm. One business model that was touted to be the revolution in the field of HRM was Dave Ulrich's three-legged stool. This model has been implemented to varying degrees by different organizations and has seen varied success in improving performance delivery. One of the main benefits of this model is that HR professionals will be freed from the administrative duties and focus more on delivering strategic input to the business hence adding economic value to the organization. However, amongst many challenges that this model brings with it includes the challenge of dual reporting lines.

The objective of this research is thus to analyze the challenges of dual reporting in HR business partnering on performance delivery in private sector and recommend ways of overcoming those challenges. This research is thus based upon three questions that we seek to address. These are to determine and analyze the challenges of dual reporting in the role of HR Business Partnering in the private sector and to recommend ways of overcoming the challenges posed by dual reporting in HR business partnering.

Chapter 1: Introduction

With the emerging trends in the world of business like globalization, technology and e-commerce, organizations all around the world are re-inventing themselves to take these new trends in their stride. It has become imperative of organization in many ways to go through massive transformations and changes. In line with these massive re-organizations, capability development and upskilling of the resources is also of immense importance. HR function plays a vital role to facilitate these huge re-organizations, be the agent of change management and ensure that resources do not go through role ambiguity and confusion.

Strategic resource allocation has thus risen to pre-eminence in the evolution of organizational structure as organizations started realizing that replicating organizational structure and design is easy and brings success. Effective organizational designs became best practices in the industry and were swiftly replicated. What could not be easily replicated was the human capital of organizations. This uniqueness of human capital made it the most important strategic asset. Having identified human capital as the most strategic asset, traditional human resource practices became less effective and were replaced by strategic practices, the primary objective of which was to align the HR function with the business. This included aligning the goals, strategies and dependencies of HR and business. It was not long before leaders realized that the key to improving business performance was by creating the right fit between HR practices and business strategy to create a winning mix.

Since resources or human capital cannot be replicated, it was established that the greatest value is created by human capital as it cannot be imitated hence giving organizations a competitive advantage (Baker, 1999). There are many reasons as to why HR can act as a strategic business partner and that can in turn generate immense benefits for the organization. Some of the reasons that can act as relevant reasons in support of this hypothesis are the fact that it can have an instant and direct impact on labor productivity which in turn influence the profits of the firm in question. In addition to that talent management and efficient allocation between different employees according to their competency is a prime example of what a HR strategic business partner can do. Another reason can be attributed to the growing need for HR as a strategic business partner is its growing importance in the modern business landscape. A testament to its

growing importance that most companies in the Forbes 200 list use HR as a strategic business partner due to its contribution to the well-being of the company itself.

Business performance will be improved only when the right fit between business strategy and HR practices is achieved. Different set of HR strategy combinations were identified that would lead to higher business results but they varied depending on the organizational context. Claims that a universal best practice HR strategy has been identified are premature. It is unlikely that adopting a specified set of HR policies is the high road to organizational success.

What is important to realize is the fact that for HR to act as a successful business partner it is important for its objective to be merged with the economic objectives of the firm itself. It is unlikely that adopting a specified set of HR policies is the high road to organizational success. Even the large amount of empirical work that has been done has not identified all the general components such a set of policies would contain. How something is done is often more important than what is done, and we need to pay much more attention to how clusters of HR policies are adopted and implemented as well as to the specific contexts in which policy innovation is attempted. The way in which organizations treat their employees is at the heart of their success. HR function is no more being taken as administrative activity rather it has assumed a central role in overall organizational activities. It is one of the main pillars which supports entire organization. For effective implementation of HR practices, the most important consideration is contextual factors as this will determine the success or failure of the HR system. Success of business strategy is being linked with contextual factors by researchers claiming that even the best strategy may not be a successful one if the best fit is not created. However, success rate does increase if contextual factors are in favor. Success comes through interplay of numerous factors with dominant role of HR.

Organizations are increasingly moving towards a matrix structure to unlock hidden synergies, create collaborative cross-functional teams and create a learning organization. Knowledge workers thrive in such a structure and play a vital role in distributing best practices throughout the organization. Different variants of matrix structure include structure categorized by functions, by products or by geographies. HR function plays a critical role in such structure that are prone to role ambiguity and duplication of effort. HR function ensures that the roles are clear, JD's are well defined and resource allocation is optimum. Role ambiguity creeps in the HR

function as well and with the added task of ensuring that the whole organization goes through the transition smoothly, it is important to ensure that HR resources feel that there are roles are clear and well defined.

Different variants of Dave Ulrich's business partnering model have been implemented in the corporate sector for decades. Yet the ideal structure that enables HR to contribute to the bottom line of the organization by giving strategic input while at the same time delivering seamless HR services/solutions is still to be unraveled. The HR function has yet to come out of the vicious cycle where the "reputational effectiveness" of the function in the eyes of the commercial department has led to less reliance on HR being the strategic partner ensuing in less space for HR function to drive strategic "people initiatives" that adds economic value to the organization. In Pakistan, HR is still in its formative stages where only a handful companies have implemented a variant of Ulrich's three-legged stool let alone fully embracing the model. HR is still seen as a non-value adding department that can be easily outsourced and overheads reduced.

Dual reporting is normally for two purposes; professional and administrative. For example, a reporting structure at the production level of a business could work with an administrative department that is controlling the finished goods produced. The dual reporting line creates a lot of confusion about role of management & authorities. This often leads to conflict; and can lead to problems among managers.

Chapter 2: Literature Review

Matrix Organizations:

The terms matrix organization and project organization have been used interchangeably in the literature and in each case refers to the creation of a cross-functional body where resources from different functions of the organization come together. This can be on a part time basis in cases where there is a specific project to be done or on a permanent basis where these cross functional teams essentially become business units (Nick Horney, Tom O'Shea , 2009). Pia Gustafsson et al in 2008 while analyzing the impact that IT has on the business said that this value can be determined by analyzing the impact that IT has on different components of the organizational structure. Similarly, the impact that HR practices has on the business can be gauged by analyzing the impact that HR practices has on the different variable of the organizational structure like work flows, communication systems etc. During that time most organizations were structured as IT organizations whereby implementation of IT would get the best out of the different variables of organizational structure. John Mahoney in 2013 says that the way these IT organizations were structured would determine which assets are the most important for the company. Technology was predominantly used in arriving at the ideal structure for organizations from the 1960s onwards. They were dedicated sections that would deal with components like hardware and software, workflows, communications systems etc. Since organizations were structured by technology, this made drawing synergies between components like hardware software very easy and efficient. Structure by technology remains one of the most frequently used structural choice, but its use has been decreasing with time as drives for business alignment with HR practices has become more common

Another interesting finding stems from the Wharton business school which questions the validity of the system and the different subsidiaries that have stemmed from the original matrix model.

Similarly research titled, " Business Strategy and Human Resource Management: Setting the Scene", conducted by Ed van Sluijs and Frits Kluytmans highlight the importance of HR business partnering in the context of how businesses have evolved and the increased emphasis of human development in an organization. However, despite these optimistic accounts, it is clear that the implementation of strategic human resource management is difficult and to date, has

diffused only to a limited extent (Rowland & Summers, 1981; Lorange & Murphy, 1984; Nkomo, 1984; Golden & Ramanujam, 1985; Mills, 1985; Buller & Napier, 1993). The literature often refers to a relatively small number of success stories. In other instances, the literature provides rather normative models of strategic human resource management, models which are still in need of being the subject of practical experiences and empirical testing (Ed van Sluijs & Frits Kluytmans). Another major aspect that was found to be a common theme in research papers related to evaluation and measurement of evaluation systems was the conditions of work that severely impacted the actualization and effectiveness of different strategies implemented.

HR Business Partnering in Matrix Organizations

An interesting perspective is that provided by a report published by Orion partners titled, "High performing HR Business Partners" which states the qualities of a successful HR business partner that contributes to enrichment in relationship between an employer and employee and contributes to the well-being of the organization as a whole. This is true for the companies that were part of this research as according to interviewee at RB, "the biggest facet of my role is to act as a liaison between field sales force scattered across the country and the department head. I feel a huge responsibility to understand the problems of the people, collate all the information and recommend changes to policies to facilitate the people. An example is when we finished deduction of allowance on usage of functional cars. It was very warmly received"

What is more important is that the global study tends to answer difficult question related to the new ideal of HR business partnering such as the reason as to why firms keep struggling in finding the ideal candidate for the job, more so as to why the most qualified candidate may not be a suitable fit in a matrix organization that intensely relies on effective communication. One of the examples quoted by interviewee at UPL is when an "HR Business partner was asked to leave the company during their probation period as they were not able to hit ground running and establish rapport with the business stakeholder. Engagement with business stakeholders was low and this led to his exit"

Importance of Effective Communication in Dual Reporting

Study conducted by Ian Cunningham and Jeff Hyman (1995) which showcases how communication is of extreme importance in a matrix organization and how effective communication between line managers, supervisors and those at the very top of the hierarchy can

resolve many issues that accompany implementation of HR strategic activities. The study is clearly stated as, "To ensure that performance outcomes are successful, the prime duty lies on line manager and supervisors. Getting the best performance outcomes from people requires the line management to be sometimes be hard and authoritative while at other times to be soft and facilitative. The study by Ian Cunningham titled, "Transforming HR vision into reality", raises concerns over the capability and competence of line management to be more demanding and authoritarian with their people to get the desired performance outcomes and this role is particularly in question during organizational transformations. Moreover, another demanding role that they undertake is the task of cascading the HR vision down to the bottom.

(Transforming the HRM vision into reality: The role of line managers and supervisors in implementing change; 1995, p 5-20).

The literature referred to earlier and throughout this research is used to build upon the idea of how HR strategies such as dual reporting which is a subsidiary of the matrix based organizations presents with itself challenges and benefits. A major problem with all such efforts in implementation and a common theme is that of measuring performance and more so evaluating the performance measuring system itself which presents a whole new set of problems and convolutions. Despite all the advantages of the matrix organization it was important to gain a holistic perspective of dual reporting and HR reporting in order to evaluate it effectively. An interesting article in this respect was written by Billie Nordmeyer in which he highlights the disadvantages of a matrix based organization depending on dual reporting. The problems that he discusses in detail include the psychological stress and the constant need for an update in communication as the need for the system. He also states how the cost of dual communication lines are substantial when the system is applied on a large scale giving birth to severe inefficiencies. According to interviewee at UPL, "the biggest challenge in my role is to ensure that I keep my line manager and my primary stakeholder updated and informed. I feel there is duplication of effort here"

Chapter 3: Research Methodology

Objectives:

This research has the following objectives:

1. To understand how far HR function has come in becoming a strategic partner for the business
2. To determine and analyze the challenges of dual reporting in the role of HR Business Partnering in the private sector
3. To recommend ways of overcoming the challenges posed by dual reporting in HR business partnering

Methodology:

This thesis was conducted using qualitative method. A inductive approach of study is used to arrive at research questions. Primary data for answering the research questions is gathered through interviews and observations. Interviews were conducted with the HR professionals of a sample of private sector organizations of Pakistan. An inductive approach starts off with the latter stages of the research like observations and interviews and then backtracks to either accept or reject the hypothesis. Research methods for business students by Saunders, Lewis and Thornhill (2009) illustrate the research process as an "onion". It starts with the research philosophy. The next layer is then research approach followed by research strategy, research choices, time horizon and finally the center of the onion consists of data collection techniques and procedures. There are four different philosophies, pragmatism, positivism, realism and interpretivism. This research paper is based on an Interpretivist approach that is considered suitable for research in human resource management. Similar research methodologies previously included in other research papers include the paper co-authored by Gonzalo Sánchez-Gardey, titled "Human resource management as a field of research published in 2007. The research highlights how the evolution of the field has taken place in regards to a multi-dimensional perspective that it now occupies and dissertates how predominantly inductive approach has been employed and continues to develop as a key source of research methods in the field of HR. A review of the literature shows that present HRM research is characterized by a multiplicity of objectives, levels of analysis, theoretical approaches and empirical methodologies. The increasing interest in strategic and international issues has fostered the development of more

comprehensive models and extended the domain of the field. Thus, it appears necessary at this time to review the state of the art and to analyze and reorganize the different contributions that scholars have made (Schuler and Jackson, 2005). Another example of how this method has been employed is from Greg G Wang who conducted a research on the indigenous methods that are predominantly based upon a inductive research method while incorporating contextual values. The study was conducted based upon data collected from firms operating in China. The research identifies six major unique organizational phenomena in the Chinese organizational context. It makes a strong case for indigenous research adopting exploratory qualitative methods which is a continuing theme in the research with repeated emphasis on the value of indiginity among research and in evaluation of the results recorded. What is important to note in this regard is the fact that there are although different interpretive methodologies, particularly universalistic, contingent, configurational and contextual approaches, conclusions can be convergent if the limitations can be balanced in accordance to the data requirements.

The first step in evaluating was to design a set of parameters to evaluate upon which the questions were based. This in particular referred to the areas that were the main focus of the research which was centered on the concept of dual reporting and the role of human resource management as a business partner with the private sector. The first step was thus ensued a tedious process of framing the proper questions that were to be asked from our pool of participants who were kind of enough to devote their time to this process.

The second step as mentioned before included interviewing a host of managers at top human resource management firms in Pakistan to gather their point of view on a host of topics that included evolution of human resource management in Pakistan, the challenges it faces and the host of behavioral factors that influence the perception that people have of what an HR department does. In addition to that there were more specific questions related to the challenges of dual reporting in a matrix organization, a relatively new concept in Pakistan especially for locally based firms and a concept that is fast catching on in general in Pakistan and around the world. More so an important factor that was found to be a central theme in many of the interviews that were held was the communication gap that exists between employees and those present at the helm of an organization. This gap was found to be an integral factor in this misperception that exists regarding the functions of the HR department. More importantly it was

found to be the decisive factor in the build of mistrust between managers and those that worked under them which contributed to lower productivity, more frequent job switching and a general feeling of anxiety among employees. The negative effects were then researched upon by looking upon research regarding this particular area internationally over the years. An example of this would be the research by William Leung from the Department of Economics, University of California, Berkeley. His research paper titled, "Job Security and Productivity: Evidence from Academics" shows how trust and job security that is a function of trust between employers and employees is an integral part of any organization. The idea presented in his research is aptly summed when he states, "For firms to maximize efficiency, it is important to know what institutions motivate workers to work hard. Job security is a topic where the balance of benefits and costs are still relatively unknown. For example, employees with high job security may invest more in their companies out of loyalty or because they view their jobs as long term commitments" (Job Security and Productivity: Evidence from Academics, William Leung, May, 2009). Lastly the point of discussion was built around the idea of dual reporting and the importance of a performance measuring metric system that was the need of the hour in improving performance and the challenges in devising such a system. The common thread in all the interviews was the fact that there was a certain sense of hesitation and doubt regarding setting up a system that could objectively measure the worth of human capital. Severe backlash was recorded regarding the proposition of a rigorous mathematical system that could evaluate performance.

The third and last step in this research was to collect all the data within the stipulated time and organize it so that results could be drawn from it. The qualitative and often informal nature of many of the interviews meant that we had to employ data sieving techniques in order to find the answers that we were looking for. This meant going over the question answer sessions thoroughly and highlighting the key areas that were originally targeted and finding any common themes among interviewees to focus on a particular trend related to the field that might be prevalent in the local context of firms using HRM services.

In keeping true to research methodologies and to survey methods regions were randomized to ensure there was no regional bias. In addition to this different industries related to different sectors of the economy were also targeted. This was done to ensure that the results were not

biased to a particular industry and ensured that the recommendations made will be applicable to different contexts. An attempt was also made to get in touch with public sector organizations to gather data related to their employment of HR strategies. However any such advances were refused and thus we were unable to gather data on public sector firms to do a cross analysis between organizations related to the public and private sector. In all five managers from different human resource management firms were interviewed coupled with seven managers that were employed as HR managers in their respective firms. More so managers of other departments such as finance and marketing were also interviewed together with their employees to gauge the extent of their understanding of HR strategies and practices. Interestingly owners, especially those run through a family hierarchy and particularly in the textile industry refused to participate in this research though even with the limited time and resources the data collected presents itself with interesting dimensions and seeks to answer the question regarding the aptitude of HR practices such as dual reporting in a local context and on an international scale.

Sample

HR professionals from the following participating companies were interviewed:

HR Professional	Organization	Designation	Experience in HR	Acronym
Tayyeb Siraj	Unilever Pakistan Limited	HR Business Partner	7.5 years	UPL
Nida Sultan	Reckitt Benckiser Pakistan Limited	HR Business Partner and Reward Manager	5.5 years	RB
Hiba Malik	Unilever Pakistan Limited	Factory HR Manager	6 years	UPL
Ruhkaam Karimian	Metro-Habib Cash and Carry Pakistan (Pvt) Limited	HR Business Partner and HR	9 years	C&C

		Operations Manager		
Areba Zaidi	Standard Chartered Bank Pakistan Limited	HR Business Partner	3.5 years	SCB
Afira Sultana	ARM Consulting Services	Sr. Manager	10+ years	ARM

Structured Interviews were conducted with 6 HR professionals from the participating companies mentioned above. Interviews were based on open-ended questions and interviewees were assured of confidentiality.

Chapter 4: Findings and Discussions

This chapter highlights the findings of the research that were interpreted by data sieving technique from the primary research conducted with the sample. This chapter also relates the relevant literature to the findings of the research and attempts to draw similar patterns and trends in the research findings to address the research objectives

Dual Reporting in Matrix Organizations

This research focuses on the dual reporting aspect of matrix organizations particularly in the role of HR business partnering in the private sector. It will analyze the obstacles that make dual reporting a challenging task for all individuals in an organization including the manager at the very top, the line and product managers as well as the subordinate employees at the lower levels. A dual reporting relationship in an organization is generally a relationship where an individual reports to more than one superior. The most common forms of this structure reside where employees report to both a functional and an organizational manager, or a line manager and the Dual reporting structures are quite common in a matrix organization or when you are part of a cross functional team or work on a cross functional project. Reporting could be either solid-line (or direct reporting) where a relationship between an employee and his primary and direct supervisor or leader is concerned. In this relationship, the primary supervisor provides the guidance to the employee along with controlling the major financial resources that the employees rely on to perform their work. Additionally, they also conduct performance reviews and provide all other direct supervision. On the other hand, indirect (or dotted line) reporting describes a relationship where there is a secondary supervisor or leader that provides additional oversight to the employees in their work execution.

The purpose of such a relationship is ensuring the authority of the indirect leader to provide a level of influence and leadership over the employees. In the private sector, dual reporting is prone to facing challenges in the role of HR Business Partnering. These are basically derived from either a sudden shift from the conventional single authority or a complete revamp of the matrix structure that an organization in the private sector may be following initially. A matrix organization brings together individuals from different functional departments to enable their cross functioning towards a specific goal. Consequently, situations arrive where members of the

matrix organization report to the manager of the cross-functional team as well as the department manager. (Smallbusiness.chron.com, 2017)

In private sector HR business partnering, the HR professionals work closely with senior leaders of the organization in order to develop HR agendas that support the overall objectives and goals of the organization. They will have to possess particular competencies such as communication of course, along with HR expertise, ethical practices, consultation and traits for similar competencies. One of the most critical competencies for the HR business partner is to deliver on meaningful engagement with the resources in the function that they are partnering. This has been identified as one of the key success factors during this research for a business partner to be truly considered as a strategic partner as this leads to developing a deep rooted understanding of the indigenous problems of a function and then crafting tailored HR solutions in line with the organizational strategy.

Afira Sultana, senior manager at ARM Consulting, states that, “matrix organization is highlighted not because it’s a bandwagon that we want you all to jump on, but rather that it’s a complex, difficult, and sometimes frustrating form of organization to live with”. It is not that the problems that were highlighted here do not rise arise in traditional organizations, but matrix organizations are by design more vulnerable to it. Thus, it is recommended for managers to understand the problems associated with matrix organizations. A significant part of any HR practice and for its self-sufficiency is its ability of performance to be measured.

Benefits of a Matrix Structure

Other HR professionals with matrix experience identify cross-functional team alignment in the service of a business goal as one of the top benefits of a matrix structure. For example, part of the reason Richenhagen introduced the matrix structure when he became CEO in 2004 was because AGCO had recently completed a number of acquisitions and he wanted to integrate and align the company. “The matrix structure was a way to bring the company together,” Smith notes. Matrix management “makes our organization stronger. You get different viewpoints while also providing checks and balances across all the regional operations and across all functions. One of the managers who were interviewed named, Afira Sultana believes that matrix structures help workforces “get closer to the customer.” In his book titled “Simply Management”, Martin

Richenhagen delineates in a simple manner the advantages and disadvantages of moving to a dual reporting system. He states that main advantages of such a system are that it provides a better screening and overview of the product that is manufactured and sold in several different markets through subsidiaries. In addition to that the system provides an ideal source for cross information. In addition to that a matrix organization system provides an ideal and well suited environment for the development of new business areas and coordination of complex processes.

UPL globally is undergoing a major organizational transformation and the interviewee in UPL, highlighted the agility that new matrix structure will bring with it. According to him, this will allow the creation of empowered cross functional teams that will make way for more local innovations and will increase the responsiveness of the company to counter the threat of mushroom local players by taking decisions such as price increase on a local level. Earlier these decisions would have to be endorsed by a global central team looking after pricing.

Disadvantages of a Matrix Structure

However the system also has significant disadvantages which include unclear responsibilities on part of the employee. Another major disadvantage is the fact that those who hold functional and matrix position often delegate work to each other and this may result in severe delays and inefficient work. Related to this problem of division of responsibility is the fact that as to who will be rewarded for the work done since such a system means that there is no clear definition of who should be rewarded for the work done. Another major problem is the lack of clear leadership and the uncertain state of who is in charge means that there is often a severe state of misdirection. The system also causes immense psychological stress on the employees who not only have to deal with reporting to two managers but the complicated communication channels often cause confusions and hardship which lead to a stressful working environment. All of this thus requires that a lot of time is spent on coordinating and in meetings which reduces productivity due to the time lost in these meetings. Thus there are significant pros and cons of the matrix system though its success also depends on other exogenous factors.

(Sources: Simply Management).

Interviewee at ARM, who is a senior manager at ARM established in Lahore and regarded as one of the fastest growing human resource management firm states that matrix structures help

companies in increasing the responsiveness and “get closer to the customer.” Interviewee at ARM further elaborates that regardless of the function that the employee is working in; the key factor is alignment with the objectives of the business.

Measuring how effective the policy for applying a mechanism that rests on the concept includes a careful evaluation of the costs and benefits that are associated with the system. A significant cost to bear for firms that eventually do apply it is what HR experts refer to as the “Matrix tax”. It refers to the structural challenges that HR professionals should address to prevent them from limiting the benefits the structure offers. Whilst matrix proponents call upon the shape’s advantages in increased responsiveness of addressing customer needs, there is also a need for managers to be more independent in decision-making and be less concerned about performance mistakes. “Matrix structures require considerable group dynamic capabilities from the employees,” Richenhagen writes in his book, “as well as a high degree of tolerance for ambiguous situations.” A study conducted by David de Wetter who runs a Dallas based HRM company states that Matrix structures pose difficult challenges for HR professionals charged with ensuring equity and fairness across the organization. De Wetter identifies two signs that the matrix tax may exceed the structure’s value. The first sign is that decision-making is slower and the second sign is that high performers usually find it hard to survive in matrix organization. Another important aspect that the study conducted by De Wetter uncovers is the fact that in order for the matrix system to function efficiently there are several other complimentary factors that have to be aligned with the system that is put into place. These aspects include things such as negotiation and conflict management, informal and political influence, flexibility, adaptability and tolerance for ambiguity and communication and cultural awareness. These are characterized as the main pillars upon which the matrix system rests. However there are still certain conditions which have to be met to ensure that the system is successful. These range from things such as clear rationale regarding the matrix structure, clear objectives and metrics, expected leadership behavior is identified, communicated and monitored too open access of information for all parties and a performance management system that which inculcates the ideals of accountability in it.

(Sources: Managing the Matrix, HR Today, Eric Krell).

HR Becoming a Strategic Partner

Although there has been a great deal of normative writing about the role HR should play, there has been little empirical investigation of whether it is actually playing this role. Likewise, there has been more speculative than empirical examination of what it takes for HR to become a strategic partner. This article reports on the results of the third HRPS-sponsored Center for Effective Organizations study of HR in large corporations. The major focus of these studies is on practices, structures, and activities that determine the effectiveness of HR, with particular attention to the development of a business partner and business strategy capability within the HR function. Previous rounds of this study have focused on what makes the HR function effective and how it is changing over time. The results argue strongly for HR taking on more of a strategic partner role (Lawler & Mohrman, 2000b). Given the quantity of attention to the significance of HR turning into a strategic associate, it is surprising that latest studies have found exceptionally little alternate in its sports and structure (e.g., Lawler & Mohrman, 2000b). Technology may be able to free up HR from some of its ordinary tasks, and truly HR is making more use of information generation. It isn't clear, however, that HR is turning into a strategic accomplice. Statistics offers the potential for HR to take large databases and powerful analytic tools to decide how useful HR policies and practices are and to make a contribution to the information of what commercial enterprise techniques may be beneficial. However the query remains unanswered as to whether the HR framework is able to figure out and impose the modifications required to support the new roles that their organizations need.

Based on the research findings, it is hard to define a model for HR that will guarantee success and most organizations are deploying models that best suits them. Measuring the effectiveness of the business-partnering model is not as straightforward in Pakistani context due to lack of conclusive empirical data. However, this research attempted to measure it using observation and qualitative techniques mainly interview. One of the metric used is “reputational effectiveness” of the HR function which can be further classified as perceived reputational effectiveness and espoused reputational effectiveness. Perceived reputational effectiveness is the view of the business unit about the role that HR is playing and their strategic contribution to adding economic value to the company. Espoused reputational effectiveness is the view of HR resources about its function.

HR professionals that were interviewed in this research feel that matrix structure allows the company to be “closer to the customer” and be more “agile and responsive in meeting the demands of the consumer and countering threats from local players”. They feel that the benefit of the structure outweighs “matrix tax”

Reputational Effectiveness of HR function

Research suggests that perceived reputational effectiveness of HR function is that the function still needs to make up ground to be truly considered as a strategic business partner. One of the main reasons quoted for this assertion is that HR function still spends a lot of time on administrative work and thus gets less time for creating tailored strategic initiatives that will benefit the function they are partnering. This is mainly down to the capability of IT in private sector organizations. Adoption of latest IT systems was meant to empower line management to take up some of the administrative work that HR business partner does like performance management, reward & recruitment and selection and HR business partner could focus more on people development. However, IT systems capability do not allow this transition to happen and liberate HR business partners from administrative work. Research also suggested that the willingness of line management to take up some of the administrative work from HR is very low and depends on the individual line manager. This is down the capability of the functional manager to use the IT systems and the user friendliness of the IT systems itself. Most of the functional managers that participated in a survey on the effectiveness of HR IT solutions/systems responded by saying they are not satisfied with the system and it is not user friendly.

Espoused reputational effectiveness of the HR function is that the function has come a long way from doing mundane administrative tasks and is involved in strategic decision making of the function and the organization. However, this involvement is still limited to the extent of being informed of strategic decision making and being part of every decision making forum. Giving input in how the function is run is still led by the business head and the contribution that HR business partner makes in driving the business is limited. On people related decision making, HR business partners feel fully empowered and in most cases are in position to drive the direction of the function. The key success factor for this empowerment is the “strategic influencing skills” that HR business partners use. One of the examples quoted was when an HR business partner

changed the recruitment strategy of the function to induct millennials and cull old-fashioned managers from the function in line with the changing business dynamics and emergence of e-commerce as a channel of the future. The concerned HR business partner revealed that the reason for this empowerment and trust laid by the business head in people related decision-making was “understanding of the business dynamics”

Another metric used to gauge the effectiveness of the business-partnering model was physical proximity of the HR business partners to the business heads. Research suggested that HR business partners are part of all the decision-making forums and sit right next to the business heads. This helps eliminate all communication barriers and is important in developing the business understanding of the HR business partner for them to give strategic input to the business. The downside to the physical proximity to business heads is that the HR business partners are accused of “going native” which means that the HR business partners are accused of favoring the business over their parent function. Research suggests that one of the ways to address this challenge is to divide time spent with the business team and the parent function and prioritize tasks.

Challenges of Dual Reporting

The HR business partner will face many challenges when being a part of dual reporting since in their role they will need to align business objectives, however complex they may be, with the planning in mind of the senior leaders. They will take care of the HR management and construct a pathway for it to operate accordingly with the plans of the organization that will include managing the employees and how to achieve what is expected of them. There are however multiple occasions where demands of the business are in contradiction with the demands of the HR function and this is where an HR business partner faces the most challenges. As the custodian of overheads, the guardian of resource optimization and the champions of employee productivity HR business partner is faced by situations where they have to decline the demand of the business for additional resources. In such situations, HR business partners are accused of “Hobbyism” by the business they are partnering. On the other hand there are occasions when the business head will ask to by-pass the policy and make an exception to facilitate the resources, but as the gatekeepers of the organizational policies and processes, HR business partners are

expected to safeguard the sanctity of these policies and processes. In these situations, HR business partners are accused of “going native” by their function if such exceptions are made to facilitate the business.

Dual reporting in HR, like any other function, is a challenge that is faced in matrix structure. Most organizations that were part of this research either have implemented a matrix structure or are going to implement in the future. The structures that are commonly found in most of the large organizations are matrix business units or cross-functional teams that are categorized by either functions, product categories or geographies. In some of the large organizations, more than one such categorizations exist. If HR function is to evolve with the evolution of organization structures and become a strategic partner that adds economic value, HR function will have to take on the challenge of dual reporting in its stead. More and more organizations are evolving into some form of matrix organization in their attempts to unlock largely untapped hidden knowledge in the organization, create organizational synergy and drive collaboration amongst workers.

Dual reporting in the role of HR business partnering in the private sector is challenged by the stress factor. Being on duty and reporting to one manager alone is a thing for employees to prioritize upon since they are at the manager’s immediate disposal. The manager directly has influence over the employee and can make decisions that will ultimately affect the employee’s career with the organization. Employees will consider it an accomplishment every time they report to a manager for a job well done whereas they will also end up making managers unhappy if they have performed below par. Working under manager expectations and making sure they are well met is a vital sign determining employee competence and capability and it should always be probably the greatest matter of concern for the employee. This paves the way for stress within the working environment for the subordinates, as it is always a worry for them whether they are doing enough to ensure their managers will be satisfied. In the dual reporting relationship, this likelihood is multiplied. The employee is accountable to more than one manager and has to meet expectations of all of them. The employee has to effectively manage his efforts and do enough to impress them without ever compromising on either. In this way, psychological stress is aggravated by an increasing sense of responsibility for reporting to appropriate superiors with expectations that vary for each superior. Since the dual reporting

structure is dynamic in terms of form and function, there is a lack of stability within the team structures and work roles of team members that the organization constitutes.

In managing dual bosses, there is a need to constantly keep both updated. Such communication demands causes psychological stress. This points to a very important decision is hiring HR business partners whereby the HR professional with the most knowledge and experience may not be the best fit for this structure and research reveals instances where HR business partners are moved on 3 months in to their role based on in effective communication skills.

Another factor that leads to stress for HR business partners is the frequent changes in roles. HR's agenda for change in roles is to develop their own resources by giving them exposure to multiple functions. However, this is not an ideal situation for the business unit as people have to start fresh with building rapport and trust with their HR business partners. This is also a big challenge for HR business partner as they have to adapt to the working style of the business head and invest a lot of time in building relationship with them.

Secondly, the ability of individuals to adapt to such structural changes is highly contingent upon their aptitude for establishing human relationships, as well as their socially relevant personality traits. Both these factors result in a conflict between the individual's need for stable relationships and the fluctuation in the structure, further resulting in psychological stress for the team members. (Smallbusiness.chron.com, 2017). An example quoted by Hiba Malik is the frequent changes in team structure "In a single year I have partnered with supply chain, marketing and finance. My role as the partner for supply chain was only 4 months. I understand that this is for my development but I would prefer to do roles for at least 18 months".

Perhaps the most common challenge existent in dual reporting structures is role ambiguity and its detrimental effects. When workers perceive conflicting demands from the same source, it results in intra-sender conflict. A dual reporting structure does not exhibit clear lines of responsibility or authority resulting in an unclear and vague boss-subordinate relationship. A state of organizational anarchy becomes a result of conflicting messages, since different bosses have different expectations while things that impress one may disappoint the other. The dual reporting structure thrives on coordination and clear direction without which it will begin to crumble via mismanagement and mistrust within subordinates. Multiple managers with conflicting policies and contradictory loyalties can lead to ineffective management. A cross-functioning manager

may also lack authority to make critical decisions, which may impede project progress (Harvard Business Review, 2017).

Ambiguity and conflict makes it difficult to design a system that supports possibilities for enhancement of productivity and motivation of an employee, and so it tends to lead to high employee turnover in the long term. This is because lack of clear direction on authority and uncertainty about the true authority of the managers makes employees very cautious about their decision-making and in many cases end up hesitating to make strong decisions. This hinders the maximum operation of their decision-making ability and damages their confidence level.

Employees must have an additional challenge upon themselves, which calls on them to prioritize on every manager that they must report to and not compromise on any of them. However difficult and hectic of a task that it may become for them in their operational running, it will have to be accomplished nevertheless. This is because managers, keeping in mind the prevalent competition in the separate functional departments after a dual reporting structure put into effect, do not usually pay substantial heed to the burden of responsibility laid upon the employees under their authority. They will want to get their work done, preferably before their rival managers, so that they are off the hook as soon as possible without having to wait for their employees to collapse under the pressure. There is little empathy for high burden of responsibility placed on an employee, which happens to be legal in every aspect and is in fact what is expected from a dual reporting structure.

Managers will want to exercise the power that is available to them also to show that they are in fact a superior figure in the light of rivalry presented by other managers managing the same employee. Different managers have different perceptions of the organizational goals. Although organizations formally follow a predetermined vision and mission that every element is directed towards supporting it, there are always varying objectives in different levels of operation within the organization. These can be personal for the particular person in authority for example a department manager seeking to improve the turnover ratio of all his employees whereas the assistant manager in the same department emphasizing labor productivity by increasing employee working hours.

It is true that such differences can be put aside by effective communication and decision-making where usually the one in higher authority has more power in opinion however, in complex

organizations even such communication becomes difficult to conduct as effectively as it requires. The fact that managers have limited time on their hands and limited capacity to cater all issues that need fixation on a managerial level, results in communication being troublesome. Consider for example a situation where an organization, having the matrix structure where managers are subject to dual reporting of their employees, is being severely affected by a period of economic recession in the external environment. Such a situation entails that considerable focus needs to be upon measures that will stabilize the organization and negate the external effects in the smallest amount of time, while simultaneously keeping a check on the internal hierarchy and maintaining the balance between the matrix, that includes preventing conflicts to arise as well as failures in communication. In such a case, it will become a priority for both managers and their employees to decide on what to divert more attention to, which manager to prioritize upon and whose orders to obey first. Therefore, it becomes even more challenging for dual reporting in times of critical economic periods where a lot is at risk and correct decision-making is top priority.

A company's success depends on many key drivers and major driver is leadership. Organizational clarity in the form of clean and simple communication chains, short decision paths, a smaller number of communities and an unequivocal allocation of responsibilities are some of the factors that ensure that leadership within the organization is more effective. With any new matrix structure consisting of dual reporting functionalities, almost all of these factors are a compromise. (Bayt.com, 2017) Firstly, communication can become a hassle in dual reporting structures if it is not mastered, and the chain of communication is not simplified. This means every individual or group involved in this chain of communication knows exactly who to report to and to whom reporting to is not advisable not allowed. There should be minimum ambiguity and the communication roles as well as appropriate communication styles (including language, tonality) should be well understood and followed. With the dual reporting structure individuals have more than one authority to report to which for the authorities, becomes a challenge to set a medium and chain of communication that is most suitable to this complex structure, much more advanced than a simple top to bottom chain with a single line of authority. The communicative aspect within leadership is thus a question that needs to be answered by organizational managers foremost. For HR business partners the importance of communication can not be over emphasized. Furthermore, there is a dilemma of how much to communicate. Often, if communication is extended to too many people and too many people are thus involved

in decision making, it may slow down the speed of decision making and agility of the organization. If communication is kept limited, it may alienate one of the superiors and the HR business partner will risk straining their professional relationship with that superior. An example quoted by interviewee at UPL showing slow decision-making because all the information was shared with both bosses. “There are often disagreements on talent management between my boss and the functional head as they have a difference of opinion on an individual’s performance and potential and it is often because I would have passed on performance feedback that seems insignificant but is made to a big deal”

Secondly, with dual reporting there is a tendency that managers’ decisions collide with one another since a product manager may want his or her employee to perform a task while the line manager simultaneously wants the same employee to do his tasks concerning his department. Additionally, dual reporting structures are likely to consist of decision paths for two or more senior managers that are not short and thus result in less effectiveness as messages transport more slowly and communication of orders could be lost or modified in the way.

Thirdly, dual reporting structure matrix tends to have greater number of informal employee groups for instance more than one employee having the same exact bosses to whom they report. Leadership becomes more challenging when the target numbers rise and small communities are not a given guarantee in such organizational structures.

Performance appraisal of HR business partner is dependent on two bosses and given that the demands of the two bosses are sometimes contradictory, it leads to contradictory feedback for the HR business partner.

Finally, as we have frequently established how ambiguity is extremely common in the relevant structure, it is a hindrance in effective leadership. Ambiguity in recognition of the real leader will directly cause problems as people will not know who or what to believe in. Ambiguity in a leader’s authority will give doubts and second thoughts to employees if they are being lead to big change. In such a situation, they will feel it being a risk as they are answerable to other managers too. Unclear recognition will lead to unclear understanding of what a leader tries to deliver. In this way, leadership within the organization is challenged by dual reporting structures and their many characteristics.

It is of course important to note how “leadership” is different from “management”, as the former is an authoritative figure or a “leader” making people follow him or her, essentially leading them to accomplish a goal. Whereas, managing places focus on systems and structures and therefore have working people and a duty to ensure that their work is carried out with maximum efficiency and effectiveness. For leadership to be effective it is very important that the target is well aware of the capabilities of the leader and places his faith in him to consider him a person to follow. Ineffective leadership results in low employee motivation and morale with an unclear sense of direction. The resultant state of mind of the employee is not suitable for the confidence level dual reporting requires. Employees with an unclear sense of direction will tend to improvise and make decisions on their own, many of which will be based on their past experiences, which may not necessarily be strong enough. If one manager leads effectively and directs the employees towards a clear objective, the employee will have more faith in that particular individual and will subconsciously consider the particular task to be a priority on a greater level. On the other hand, if another manager in the dual reporting scene is not an effective leader and doesn’t clarify his expectations and objectives, the employee may end up associating this job with a that of a lower priority, even though, in essence, it may be one of greater importance than the former. Effective leadership from all involved managers in the dual reporting structure is important and for the employee it is a duty to learn and remember what was taught to him by which specific leader. Such leadership spirit is a significant driver in organizational performance but with dual reporting structures’ ambiguity in roles of authority; it becomes unlikely that leadership is as effective as it is supposed to be. For leadership to have a compelling effect on a dual reporting structure in private sector HR business partnering, the structure must evolve from it’s very basic matrix form and transform itself to best suit the needs that help leadership within to flourish easily.

In relation to this, the loyalty towards authorities also becomes a further issue. Bosses will want their subordinates to prioritize on them above all others regardless of different bosses expecting the same. It all comes down to the subordinates and how they manage to satisfy all authorities that they have to report to, as much as they can. Additionally, when in a dual reporting organization there is constant shift in locus, each party works hard to gain an advantage. Boundaries of responsibility and authority overlap which prompts people to maximize their own advantage in order to not only create the balance of power but also to keep a check on impeding

imbalances that are likely to occur in such structures. This can also result in an unwelcoming attitude by senior managers towards matrix restructuring if an organization goes through one, however it may only be so in the initial stages. Matrix restructuring almost inherently consists of characteristics that bring about imbalance. The authority of one manager over an employee is reduced in dual reporting in the sense that the employee will have to divide his priorities over both the managers and work to satisfy both to an extent. Such imbalances disrupt the initial hold that the organization may have established over stability within the hierarchy. Multiple managers with conflicting policies, procedures and contradictory loyalties promote ineffective management. Because of the shared employee's time becoming a scarce resource in the eyes of the managers, they are forced to compete for it, which results in infighting, adding fuel to the fire between functional managers and cross-functional team managers, which was set by dual reporting in the first place.

The dual reporting structure is hard to manage if not comprehended perfectly. Coordinating is vital not only in this particular structure but in every other organization because it brings all the collaborators on the same page and ensures every ounce of progress occurs in line with set goals and objectives. In order to ensure proper coordination there need to be lots of meetings and excellent interpersonal skills. Due to role ambiguity, there are frequent conflicts and in order to resolve them it takes a lot of effort to maintain the power balance. At the very top level, the entire organization is managed by a single manager and in all likelihood, many decisions will be referred to him since after a dual reporting structural initiation, growth will tend to increase the amount of decisions left for the senior most individual to act upon. If too many decisions are referred to this individual, he or she may get overloaded with the task of running the dual reporting structure. The decision-making responsibility of the senior most managers definitely grows and can possibly end up burdening them (Practical-Management, 2017).

In most cases, given the most common form of compensation in an organization is determined by an employee's skills or the amount of work he ends up doing, managers may demand more for their increased role in managing and coordinating the new structure and the problems that arrive with it. In a similar way, employees have a greater responsibility working under two managers and will most likely be doing more work than before, being under both the managers. As a result they will also feel the need for a raise and may become de-motivated if their requests aren't entertained. High employee turnover for the organization becomes seemingly inevitable if these

mismanagements are not accounted for soon enough. The dual reporting in HR business partnering is feared to have a high cost attached to it since it's a matrix structure and usually has a dual chain of command. The need for double management brings about additional cost for paying off the new managers the way managers are paid. Extra salaries will put a strain on the organization's resources. The research conducted by Stanley M. Davis in his article "Problems of Matrix Organizations" at Harvard Business Review finds that the overheads tend to rise in the initial stages of a matrix structure that has been installed, but the costs are later offset by productivity gains. The research indicated that initial overhead does not necessarily increase in the matrix but can also occur unnecessarily. Individuals performing functions in support of both the functional and the matrix organization will increase overtime costs for the organization. Operational inefficiency that arrives from mismanagement of the matrix structure will lead to structural instability and increased costs.

Dual reporting brings the need to establish new and effective communication and reporting tactics and procedures, which is costly. In addition, setting aside differences that may arise will also take time and effort and bring forward the need to train on how to manage such relationships, which again will involve monetary cost. Dual reporting also results in challenges for the organizations at evaluating performance of their employees. In such a structure, employees are accountable to more than one manager and therefore their performance and time devotion is divided between the multiple managers, where for instance they might be working their duties assigned to them by line managers in addition to their core duties which they were already performing for product managers. In this way, employees could be doing well and performing up to expectations for one manager but not for the other. Consequently when it comes to judging them by their performance the managers will rate them accordingly for what they were able to put on the table through their jobs and how they performed them, with zero regard for responsibilities that weren't the concern for the particular manager rating him. As a result, there will be dissimilar rating and performance scores for the particular employee and so it becomes a hard task for the organization as a whole or the most superior authority to accurately or fairly rate the employee's performance given the contradictory ratings. Such problems are likely to occur on the books of every employee and not always onto their performance but also their personality traits. For instance, one manager could accuse an employee to be dishonest about his or her work as it may have rightly occurred to the manager while observing them

performing tasks assigned to them by that manager. At the same time, the employee reporting for a different manager may have panned out as a person with peculiar integrity at his job. These contrasting traits in the light of observance by different managers will prove to be another obstacle for senior most managers to place a judgment on claims on the employee for being dishonest.

Decision-making becomes difficult and all the more harmful for if a bad decision is made in a situation very critical. Employees in dual reporting structures in HR business partnering have periodically changing goals and roles, due to them being accountable to multiple managers who assign to them different duties and tasks pertinent to different time periods. A challenge stemming from such an aspect, along with difficulty in evaluating their performances, is provision of feedback on those performances. Due to employees having multiple reporting relationships with working hours as a constraint, and since they tend to end up having frequent changes in assigned projects and spend most of their time working for different project managers, in many cases they are not able to perform for a time period substantial enough for constructive feedback. With this sort of low feedback the performance evaluation of the employees does not have much for it to be based on something. Subordinates have to figure out what each individual relationship with their manager is like, and to make sure they adapt to the relationship appropriately.

[Ways to Address Challenges of Dual Reporting](#)

A number of experts have offered wisdom on dealing with two bosses, one of those ways comprising of the need to conduct frequent meetings. The question is whether the employees actually have the political capital to convene those meetings. Edward Yost, human resources business partner with the Society for Human Resource Management claims become familiar with the management styles of each boss, and to be proactive about communicating your workload to each to be the best plan for this matter (Knowledge@Wharton, 2017). The silo mentality among employees becomes likelihood in organizations with a dual reporting structure. The silo mentality is an attitude, which occurs when several departments or groups within an organization do not want to share information with other members in the same organization. (Staff, 2017)

The mentality occurs because of rivalry between managers in dual reporting organizational structures. This rivalry stems from the fact that managers would want to utilize employees under

their line of control as much as they can to their own as well as their department's benefit as opposed to other managers using them and rendering them unavailable. This mentality is often seen as more of a top-down issue, which begins with management and trickles down to the individual employees at lower levels. It can also be found to exist between individual employees when the competition spreads to their level like in the case of a commission-based profession where compensation is directly determined by performance.

In our aspect of organizations with dual reporting structures, it is most commonly witnessed in different departments where assigned duties exist and different managers from all of these departments share employees. Conflicts of competence are pre-programmed within such structures, and because it is not clear who should be held responsible for success or failures of tasks performed, the silo mentality is reinforced and grows its roots further and deeper. Managers operating in organizations having dual reporting structure are prone to high involvement in the internal affairs and relations. This means that senior managers need to have negotiation skills and use them onto the disputes that are likely to arise because of dual reporting. Consequently, with increased involvement of managers in internal affairs there is an adverse effect on their involvement in the external business. The private sector will have an external environment that is competitive and will have objectives to overcome and fight such competition, the usual case for any business. The managers will therefore succumb to internal preoccupation and may risk losing touch of the marketplace, hampering the organization's competency. Dual reporting structure asks managers to effectively manage their involvement and prioritize on what to devote their time and decision making skills.

Successful HR business partner act as a bridge between the resources they are partnering and the central policy devising teams. HR business partners plays a crucial role in increasing employee commitment through their bridging role by recommending changes in/or creating new policies that are more people centric, thus ensuring the well-being of employees who would normally have very few interfaces with the people in decision making positions.

It is of course necessary that they have a say and hand in the internal affairs but managing this involvement keeping in mind the opportunity cost is key. If the managers choose to devote more towards the external scenario then they are risking the operation of the internal structure to collapse. Sometimes, decision-making is delegated to lower levels due to unavailability of senior

capable managers. The concept of tradeoffs becomes a major tool for organizations and it is practiced upon situations such as these. If effective decision making is not made in response to the crisis the managers might just have to lay off the employees as an immediate solution which may be costly in the long term. Therefore in dual reporting, manager's preoccupation and increased involvement in inter-employee relationships as well as their own relationships with employees lays a concern on crisis management. The challenges of dual reporting of an HR business partnering role in the private sector are, in conclusion, mainly ambiguity of manager's true authority, increased workload of the employees, development of silo-mentality, difficulty in assessing employee performance, preoccupation of managers in internal affairs, hindrance to effective leadership, disloyalty among employees and a chance of high cost incurrence. It is a serious matter of concern for business structures that allow dual reporting if any of these factors are present within. Therefore, effective measures will have to be taken to overcome these challenges and promote the optimum operation of a matrix structure and absorb the full advantage of dual reporting.

For HR business partners, communication skills are of great importance, as they need to communicate effectively to the company's leadership with high-level decisions down to HR department members as well as those of the whole organization. With a dual reporting structure the need for effective communication is reinforced since it will require advanced communicative capabilities and skills that will have convincing power and effectiveness substantial enough to get in terms with multiple superior managers with differences and varying opinions about operations at various levels of the organization. (HRZone, 2017).

Some of the ways to deal with the challenge of dual reporting that were identified through this research include effective communication. Since there are two bosses to report to, effective and clear communication is the key to ensure that time is not lost in through communication channels, all the relevant stakeholders are aligned with decisions and speed of decision making does not suffer. Research revealed situations where the business head and functional line manager of the HR business partner would not communicate directly and the HR business partner had effectively become a conduit of information relaying. In such situations, the clear and effective communication becomes paramount and key success factor according to research is to rely on data and logic in all communication with either boss.

As reported by renowned management consultants, Scott Madden the 10 competencies required for a successful strategic partner cover a whole range of different aspects.

A significant aspect is the knowledge of the Business itself. The HR business partner needs to demonstrate that they have a deep understanding of the business and its operations so that this comprehension can then be translated into actionable strategies. Interviewee at UPL, attended all the business forums and learned by observation the dynamics of the business. “This helped me in coming up with solutions like placing talent in their home towns to increase productivity and business growth”, said interviewee at UPL. Secondly, analytics are an essential part of any application. Does the HR business partner have the ability to organize, interpret and present convoluted information in a manner that can then be used for further usage and hence conclusions can be drawn from it. Another important aspect is the acumen for problem solving. Can the HR business partner review problems critically and then methodically break down the problem so as to divulge the root cause of the problem and then provide evidence backed action plans in order to combat it. Perhaps the most important aspect of a HR business partner is that it has to ensure effective communication. This includes formal documentation, regulating communication channels among other aspects to ensure effective communication. A characteristic of any organization’s decision making process is the contagion effect of any decision. For a HR business partner it is important to consider the direct and indirect contagion effects that any decision would entail through ought the organization. More so an important aspect of many departments is the ability to function effectively despite the information constraints and the lack of direction and instructions that may be associated with some organizations. The ability to function despite these obstacles is the real question that many opponents of this idea pose. Related to this idea is the fact that with the changing dynamics of the business environment, it is important that HR business partners adjust according to the business environment and the prevalent circumstances. Its ability to do so is what will determine its standing as a long term strategic business partner. In addition to this the strategic partner’s ability to work under the banner and environment of an organization is a key component of its success. This will be visible in its ability to effectively coordinate with the employees of the organization and establish clear lines of communication and channels to complete its objectives, keeping in mind the culture of the organization at hand.

(Sources: Scott Madden management consultants).

Successful business partners develop understanding of the business dynamics and speak in the language and terminologies that the business people speak to gain credibility and trust in the eyes of the business heads. This also helps in coming up with tailored solutions that are targeted to the particular function they are partnering.

Successful HR business partners highlight the option that makes “the most business sense” as a way to align two stakeholders that do not agree on a decision. This comes from a deep understanding of the business dynamics, sound analytical skills and strategic influencing skills.

What is important is to understand the key element behind the success of the organization with the basic idea being that HR strategic business partner’s objectives are linked with the objectives of the firm itself. This is particularly phrased in a report published by Deloitte which highlighted how this is possible. Examples of that provided by Deloitte in its review of HR business partnering are:

Business outcomes	HR business partner priorities	Example target
Sustained revenue growth	<ul style="list-style-type: none"> Identify talent strategies for entering new markets Predict requirements and source critical talent to grow Refocus the HR function on supporting high growth business units Help the business manage mergers and acquisitions 	Double size of senior workforce population in a new market next year
Profit growth and cost reduction	<ul style="list-style-type: none"> Manage the change process associated with cost reduction initiatives to minimize productivity impacts Help business evaluate and implement outsourcing and off-shoring strategies Focus on reducing HR’s own operating costs 	Reduce organizational costs for business unit by 5%
Working smarter: speed, flexibility, adaptability	<ul style="list-style-type: none"> Align performance and rewards with speed, flexibility and adaptability Create communications and tools to reinforce culture Optimise HR processes and service delivery Source the right talent to perform 	Increase average product to market speed by 20%
Customer loyalty and retention	<ul style="list-style-type: none"> Assess employee loyalty and retention and potential impact on customer loyalty/retention Increase understanding of customer acquisition strategies and ensure HR programs are supporting (e.g. incentives, performance, learning) 	Increase customer satisfaction by 10%
Strategy execution capability	<ul style="list-style-type: none"> Anticipate potential leadership gaps and develop sources of top talent Build ‘execution capability’ into leadership development programs 	Improve leadership scorecard performance by 10%

(Sources: Business driven HR. Unlocking the value of HR business partners).

Another way to address the challenge of dual reporting is for the HR business partner to use strategic influencing skills. This is a critical skill for HR business partners as they may be faced with contradictory demands from the two bosses and will have to find a common ground for both to agree upon. One of the examples quoted by an HR business partner as part of this research

was when they had to use their strategic influencing skill to convince the business head on outsourcing the lowest layer of MIS resources to a third party. This was one of the key agendas driven by HR to reduce overhead costs and reduce the administrative load on HR to recruit and manage the lowest layer of MIS resources which were a lot in number. For business it was a tough call as letting go of this lowest layer of MIS resources could mean loss of time in reporting of business numbers that are a fundamental decision making tool. In such situations, HR business partners highlights the option which makes greater business sense or in other words an option that would add to the bottom line of the organization.

Successful HR business partners use empathetic engagement with stakeholders to build relationship and gain trust. Empathetic engagement requires HR business partners to be adaptable to the requirements of the role and understand the problems and grievances of the people they are partnering.

While effective communication is very important, HR business partners need to be wary of how much they communicate. An HR business partner has many data points and observations on an individual's performance and a misplaced comment by HR business partner during performance appraisal may lead to detrimental effects on an individual's career.

Measuring the Effectiveness of HR function

The balanced scorecard is built on the logic that for a business to be considered successful, it must satisfy the requirements of three stakeholders: investors, customers, and employees. These measures utter the report about employees within an organization in accordance with the policies and practices of the organization. Another major problem with measuring the efficacy of any implemented HR strategic mechanism is the fact that the human aspect means that traditionally based measuring systems that focus on a financial based metric system which boils down to an economic cost and benefit analysis is ill suited to the needs of the systems.

A broader view of HR accounting espouses a broader approach to this phenomenon as propagated by Casico(1991) and Fitzenz(1994). Their argument is centered on the fact that any measure of the success of a system rests on the measure of the strategic management potential which can be gauged by concepts such as human value management and HR expense models.

Another pitfall that proponents of HR accounting face is that they always seem to stand in minority as compared to their critics. Numerous studies report advances in measurement approaches, case studies of developing practice and the growing support for techniques such as the balanced score-card (e.g. Boudreau, 1998; Fitzenz, 2000; Flamholtz, 1999; Flamholtz and Main, 1999). These achievements may have been somewhat overshadowed by research that has, quite necessarily, been preoccupied with debating a range of measurement concerns. A quintessential argument that critics of this issue focus on is the fundamental concept relating to the capitalization of human resources and as to whether human resources can be regarded as assets. Another issue that measurement entails is a need for a metric performance system that keeps in mind the non-neutral aspect while measuring human performance, a common concern that many of the senior HR managers conveyed in the series of interviews that were conducted for this research. A recurring theme that was found was the auditing process that the system required which actually evaluated the system itself. HR Audits are an important cog in this system and are invaluable in ensuring that the measuring mechanism performs up to its standards. Measurement of efficacy of the business partnering model was done through qualitative techniques like interviews and observation. Not only were the HR professionals participating in this research interviewed but also view of the business colleagues was taken to understand how HR function is doing in becoming more strategic. According to Ahsan Janjua, a sales professional, “HR colleagues are forced to spend most of the time doing administrative tasks like ensuring all the field staff submit their goals on system. IT systems have are not so user-friendly that field sales resources would manage to use it without assistance” Furthermore, observational techniques also revealed that HR function is not only in physical proximity to the business head but is also part of all major decision making forums.

Perhaps a more rigorous approach would include devising mathematical formulas for doing a cost and benefit analysis. The value over it formulation is as HR functions can be monitored explicitly, tracked on time, and compared in imitation of comparable services presented by way of other companies. Conceptually, this measures have been called “utility” analyses, because they outline the utility or virtue on an HR practice. Perhaps a drawback of such an evaluation system is the fact that phobia regarding a quantitative measuring of HR performance resides among many professionals in the industry. This perhaps stems from a lack of understanding of

the system and a general fear regarding evaluation systems that HR firms employ. More so the most important part of any evaluation system is the fact that those who go through the system and are evaluated trust the workings of the system. In order to ensure that this system prevails employees should be part of the system and should even be involved in devising this system.

Measuring the effectiveness of business partnering model is not easy and cannot be quantified. An HR business partner spends most of the time in engagement with stakeholders, building relationships with them and actively listening to their grievances. Empirical testing of the effectiveness of these activities is lacking. Moreover, literature does not offer a lot of success stories of the model

Study conducted by Mayer and Davis in 1999 highlighted how such a system increased productivity as it acted as a trust building mechanism between employees and those at the helm of the hierarchy. This sense of possession develops the satisfaction of the subordinates with the appraisal interview, the appraisal system and motivates them to improve their performance (Cawley & Keeping, 1998). Research regarding this idea was conducted in Pakistan by Furrakh Abbas and Shehzad Ahmed titled, "Developing a Human Resource-Best Practices Scale for Pakistani General Public Sector Universities". A key result that can be derived from the study includes how working conditions need to be factored in to calculations when calculating employee performance. As the research states, "working conditions of an institution/organization are conducive, its performance will improve dramatically. The working conditions are conducive when administration provides their employees a safe and healthy environment." Study by Byars and Rue in 1997 showcased the importance of working conditions. It is generally believed that only if the employers feel that their jobs are secured, they will cooperate and increase their efficiency otherwise, they will withdraw their responsibilities. Thus, job or employment security plays a decisive role in harmonizing the interests of the employers and employees in a long-term mutual commitment relationship.

Reporting in accordance with two managers may result in conflict. Competing metrics, distinctive expectations, time constraints might also result among managers and discord. When an employee works for two departments, one can also want to go with twice the total over meetings. While shared resources provide an economical choice according to hiring part-time employees, good

communication ought to prevail. To eliminate stress, the HR department leader have to outline roles then responsibilities.

Performance appraisal is important as it is an integral part of an organization's performance management process. In order to manage this process well, it is important to conduct performance appraisal every six to twelve months (Anthony, Kacmar, & Perrewe, 2002). While agencies offer supreme opportunities in conformity with grow or enhance themselves, proved or managing overall performance. In accordance to this problem several solutions to the afore mentioned problems have been proposed that are built upon the realization of the challenges that are posed in devising an evaluation system that measures the efficiency of any HR strategy that is employed including dual reporting. It is important to realize the distinction between measuring a strategic decision making tool and one that is purely financial in nature.

In recognizing this distinction, HR managers should also beware of the consequences that can occur to their function's practice and the scope of their influence when too much reliance is placed on one measurement approach. HRM is as much about worth and value as it is about investment, development and empowerment. Perhaps this problem is aptly summarized in the words of Pfeffer when he said, "if all 'human resources becomes is finance with a different set of measures and topic domains, then its future indeed is likely to be dim." (1997:364).

There is no perfect formula to decide upon a management style that would best fit an organization. Each option comes with its benefits and drawbacks, due to the organization needs, the design specifics and gap between the both. Dual reporting does come with challenges but can they be tackled is the question!

No matter how few or many managers you have to report to, there will be one such supervisor of yours who you take most direction from. The first thing on your checklist to do is to find out about the reporting hierarchy when you have to deal with multiple managers. According to Sutton, considering who holds maximum authority will automatically help you in deciding your acts, in terms of what is wanted in terms of work, what are your appraisals, promotions, etc. dependent on. In research it was evident that line reporting takes precedence over dotted reporting. The fact that HR is the parent function for the business partners, it is the line management in HR that decide the career paths for individuals so line management exudes more

authority and commands more loyalty. According to Hiba Malik, an HRBP in a factory, “HR is my parent function and always takes precedence”

Keeping your superiors on the same page on what you are working on is highly essential. Sharing about all your current duties and responsibilities will keep them all updated at the same time. This can be done through a shared online note or through in-person communication. Grant mentions on how bosses appreciate initiative taking by employees on coordinating with them, seeing it as proactiveness. In research it was evident that one of the key success factors for business partners was to drive alignment between line management and the business stakeholders. This eased decision making and made the challenge for dual reporting easier. However, this was particularly dependent on the “strategic influencing skills” of the HR business partner and this trait was not common amongst all research participants

Making your bosses talk amongst themselves helps in solving many hurdles too. This brings them on the same table, resolving contradictory demands and guidelines, in turn decreasing both you and their workload. Bring them in problem solving, making the cross-process more transparent. Grant says that in situations of disagreement, your bosses are more probable to listen to your opinion and take things from your proposed angle. (Managing multiple Bosses, Amy Gallo, Harvard Business Review). This once again was dependent on the individual HR business partner to use their strategic influencing skills. Moreover, reputational effectiveness of HR also plays a major role in ensuring that business takes HR on board in decision making. In most cases HR is seen performing the role of decision implementers and this is common in cases where HR business partner has not earned the trust of the business head by not doing high level value business partnering.

Setting limits is highly essential when you don't just report to a single manager. Leslie Perlow had conducted research on this area on a Fortune 500 firm. Engineers there were frequently disturbed by the management. She introduced a rule for quite period: workers were to be not interrupted before noon. This in turn allowed the engineers to focus on their tasks, who reported of higher productivity as a result. Setting times with bosses on when to discuss can lead to lesser disruptions that one faces in such situation otherwise. It was evident in research that prioritizing the tasks handed by each superior made it easy to satisfy the demands for HR business partners

It's essential to make your employees understand that such a structure is in place for their benefit. You are likely to have higher work power with multiple bosses, with more chances to personalize your tasks, just like a kid who knows which parent he should go to get the response which he favors. This business partnering model carries huge benefits and it was clear from research as well that this role is the most glamorous in the HR function owing to multiple reasons. In this role, individual is empowered to make decisions that cover many components of employee lifecycle including recruitment, selection, development, performance management and reward. It is the role that enables HR to truly become a strategic partner for the business. An example quoted by an HR business partner for sales was crafting a tailored recruitment strategy in tough territories/areas where top institutes were engaged to tap their indigenous talent pool and place indigenous resources in those tough areas that curtailed high attrition rate.

An anarchical disorder is created through matrix system, causing people to be confused on who is exactly is above them. Critical responsibilities cannot be left wholly with such a system for any firm. Explicit interactions between functional and product directors need to be established as to enable everyone to have clear and concise understanding on who is responsible for what in what situation, hence not leaving the firm in an unrestricted form. To tackle this, an anarchy index works. It identifies how many people feel they can't identify a single boss they need to report a major chunk of their work too. A research conducted on five similar medical schools showed how the school with most explicit structure actually has least anarchy index.

True crisis management is required in solving this formless confusion, especially in times of crisis. The head should bring all the important data and people in the focus. Only this way can the top management see where the reshaping in the organization is required. Most managers competing for power are no uncommon reality. And a matrix structure further promotes this. Dual command is the base of this system and so equilibrium of power is necessary. But the locus keeps tilting, as managers are striving for power. And it's not just to bring the power swing in balance but to maintain that, through proper mechanisms. There's always a continuous tendency toward disequilibrium.

"Equality in terms of power for both parties can prevent such problems. Friendly competition can help in avoiding power trouble. Managers need to be trained and taught to take viewpoints

keeping in mind both positions. Managers need to be encouraged to work for their best reward but not to disregard the others in the same league.”(Rafael M Montes, Interacting with employees).

Managers need to be made knowledge of the fact of how trying to gain autonomy completely is equivalent to losing it eventually. Success in one dimension is no success. It only leads to imbalance, disturbing the dual command nature. Power sharing should be the baseline in all decisions and struggles, at all times. The most common research finding is that in situation of power struggle, nobody cedes ground and it is the decision that makes the most business sense that prevails. Another key success factor for HR business partners is to highlight the option that makes the most business sense to the organization (adding to the top line of the organization) in decision-making. It worked for Maryam Baig, HRBP for Customer Marketing, when she “convinced the relevant stakeholders to not send a resource earmarked for a high profile head office based role to do a field sales role as doing so would lead to that resource being highly demotivated and unproductive”

Conflicts need to be turned into constructive energy and this can only be achieved by managers realizing that their colleagues are their best opponents for fruitful results. Managers need to see the big picture always, what’s best for the institution. Weak managers need to be removed. Conflicting managers report to very top level management, creating a paradox in the system: a commanding individual, who doesn’t share the power that is passed on to him to oversee, to settle between his authority-sharing assistants.

The top manager can do this through multiple ways: the differentials between sides of the matrix in terms of salary, appraisal and promotion cycles, tasks issued, etc. What at the end should matter to him should be the weak points in the firm and how to fix that. Often the decision making in matrix structure is confused as being equivalent to decision making in group setup, often referred to as groupitus. Research shows that companies with matrix structure who also introduce group decision making to think that all decisions, conclusions and assessments have to be made in the group meetings at all cost. Decision making outside the group meeting is much prohibited and disliked, having been considered as against the essence of matrix structure. With making every team member listen to the whole discussion before a decision takes place is seen as a time waste for many, with top management reporting a deepening hole in the speed and agility of the firm, disrupting the motivation levels of the employees.

Educating managers to not mix up matrix structure with group decision making can help ease the issue. They need to be guided on what exactly comes under as a characteristic of a matrix structure and what does not. They need to be made knowledgeable of the fact that it's not efficient to have all team members involved every time. Not everyone has the relevant information to a decision and so instead of positive contribution, calling everyone just clutters the discussion. Ideal response can only be achieved with optimum people involved.

In times of growth, the matrix structure complements the expansion, prosperity and the complexities the business is moving towards. But as per our business cycle model, businesses after flourishing do face a dip in their graph i.e. economic crunch. By the time this stage is reached, the matrix structure has been so fixed in the business processes. Even with some issues, the structure seems there to remain. (The next era of global growth and innovation, McKinsey Global Institute).

When the business declines starts, time is very crucial. Senior managers have no patience for conflicts and time lags. All they demand is decisive action. In such a situation, the top management doesn't consider any space for tinkering up and down in the firm and they just take decisions and pass them down the hierarchal structure, hence distorting the true essence of the matrix. By already putting great general managerial positions in place before the decline swoops in, such collapse can be prevented, by making them separate from the matrix. Planning beforehand can help in averting many things. But if this would not occur, the matrix would be nothing but a victim of the situation.

The solution lies less in the structure and more in the developing and enhancing the core through focusing beforehand on the basic general managerial excellence. They effectively shifted their activities through market segments for example from schools to public offices. The specialist managers work at all times of the year this way. It's very hard and improbable to resurrect the matrix structure once it has broken down in times of decline. Most, you can swing in between decision making at the center for tough times and decentralized otherwise in periods of growth. If a firm's habit is to respond to declines and problems through retrenching, then the firm should not employ the matrix structure in the initial place.

Dual chain of command is the essence of the matrix but this contributes to the perception of such a structure doubles the overheads, hence producing the fear of high costs. Research shows that

in the start, overheads do actually increase but with time, as the structure enters the maturity stage, these costs are offsetted with the additions in productivity.

Trouble arises if senior management thinks that each position requires full-time work. This can be averted with managers working both in product and functional divisions. Posting manager on same side of the structure solves the problem.

Even if relatively the overheads are higher with a dual command structure, it brings economies that offset them. If the structure is rightly in place, less wrong decisions will be made. The problem of over hiring is solved this way as well. The pace at which critical information passes and decisions are taken is improved. Redundancies in human resources need to be removed. The organizational structure can be designed in a way to make it consist of functional specialists. There is no place to remove in a matrix structured firm. Consequently, the middle level management receives clear orders, putting them under stress to fulfill those demands. The top management needs to strike a balance between too much and exceeding pressure to too little of it.

The structure has a tendency to sink to lower levels, struggling to keep up at higher levels in the hierarchy but thriving at the lower divisions. This can be caused by two ways. Either the lower level managers understood and implemented the structure better than those above them or the matrix fits in at the lower level.

If the sinking is due to the latter, then this might be linked to power tussles. If the majority of those at the top are considering the implementation of the matrix system, but only a few are satisfied with its worth, then there's trouble. Those at the senior level who don't support and employ a method will be vied against by those who will prove the very same method's effectiveness.

If the senior management thoroughly works and thinks through which areas of the firm they must balance and much should they center, the sinking if the structure can be avoided. If all the firm divisions don't require to be made central functional departments, then some of the divisions should be just given traditional command structures while others get functional services in a partial structure. Sinking of the matrix should be seen as settling and adjusting in the right place. The early stages do require the evolution of the structure. Sinking of the matrix should be seen as

settling and adjusting in the right place. The early stages do require the evolution of the structure.

When it comes to numbers, generally the matrix system works better when the number of managers doesn't exceed 500 managers tangled in it. But obviously this is no hard and fast rule of thumb. You can take it as a ratio of 500:1, with 500 employees in total to once in matrix. Regardless of the magnitude the matrix functions on, the analysis of the work and design of the firm's hierarchal structure needs to be clearly and thoroughly drawn out. Then the settling should be seen as automatic adjustment, implying the potential in the firm to grow.

Power dynamics create matrices within matrices. They seep down the firm through various divisions and stages.

As the growth occurs, so does the increase in uncontrolled layering, with the links becoming complex and the matrix structure becoming more of a liability. Systematically analyzing the task as well as pushing down the authority conflicts can solve this problem. Matrix structure is intricate enough, and so the brining in of power tussles just worsens it up. A properly drawn structure will be less complex and automatically will be easier to employ. Managers become so absorbed into managing internal relations that they forget to spend time on the external factors of the organization, especially the clients. This navel gazing in turn leads to more internal issues. The short-term commitments of the regular work blur the attention the outward sector needs. Navel gazers are however more often in the initial stages, when people are adapting to this style. Managers have to be made aware of the consequences of their navel gazing. Internal disputes need to be solved. The importance of external relationships needs to be highlighted and conveyed. Otherwise the issue won't be debugged. Moreover, the shift in behavior to matrix system needs to be made an easy one for all, in such a way that people work through them rather than being engrossed it.

Will matrix structure always cause problems? Will dual command always lead to worsening of decision making process? Will there always be challenges no matter how thoroughly the structure was implemented in the organization? Will power struggles always come up, preventing efficient autonomy distribution? Will it always add up to bureaucracy instead of reducing it? Will too many people have the position to veto out good and necessary initiatives?

It is categorized in to three situations. The first is repetitive discussion. First an employee goes to his functional boss, discusses all issues with him, answers his queries, clearing out all the 'ifs' and 'buts' and making the required changes if asked by his boss. But the same employee has to visit then the product manager, his second boss. So this means that the same discussion took place twice, at least. And automatically the boss to which employee discusses the issues first with naturally gets the veto over the decisions

But is this a failure of the matrix? Digging deeper makes us think if the issue actually resided in delegation. Can the functional manager be not made aware or be trusted with knowing at least general guidelines and know-hows about most product decisions that can deemed as reliable? If this is not the case, there is either a gap in trust in work towards others or the hired specialists lack the right experience and information required for the task assigned to them. And this issue needs to be dealt with, along with realizing that it's not a resultant of matrix structure.

Then comes the acceleration of conflict. An employee gets opposite instructions from both of his product and functional managers. He tries to bring them on the same page to solve out the issue. But no decision is reached and no one steps down from their viewpoint. Now these two bosses could take this problem up to their relevant superiors in both sides of the matrix. Now comes the changing part. If those two seniors will be knowledgeable on how matrix structure operates, they will decide on whether the tussle is actually stemming from an unsettled broader company issue. But if not, then they will explain and teach their juniors how to fix the problem, not fix the problem for them and just provide the solution in hand. They will not let it escalate but bring it back down and drive it to the solution-mechanism.

Conflicts can be prevented from escalating hence but this largely depends if the management is successful in identifying and understanding the essence and structure of the matrix design. Lastly there are managers who don't feel comfortable if not given a position to take independent final decisions. They don't like it when required to engage in debate on decisions they feel confident on taking on individually. This will consequently cause frustration for them when the decision making will be based on two or more viewpoints. Unhappy managers disliking bilateral decision making will not be fan a matrix structure and hence they won't be working at their best

It is not recommended to every organization to adopt the matrix structure. If placed and implemented in the right place or part, it can very effectively enhance the decision making

process. All methods come with challenges, with issues but with time and experiences, they fit and adapt to the company's environment. Plus by learning through case studies, many firms can use other companies' experiences to their advantage and can reap better benefits and avoid falling into the loopholes. The nature of matrix structure requires human flexibility. With time, the difficulties people experienced with the matrix structure have decreased significantly. Managers are now more accepting to this style of management. Familiarity in the HR world has increased.

Matrix structure always existed, if not formally. Managers always consulted others too. They had people working on same level but who were not authorized with equal autonomy or position unlike in the two sides of matrix structure. But with time, this has been granted legitimacy. Today, this structure is less of a trial and more accepted as a mature design. The learning curve has bent down and is easier for more to climb now. More managers now have experience working in such a setup and they possess highly valuable first hand insight that they can implement and spread.

Chapter 5: Conclusion and Recommendations

Recommendations

- To allow HR function to be a true strategic partner, HR IT systems needs to become more user friendly and automated that will allow business managers to take up some of the administrative tasks of HR and liberate HR resources to spend more time on coming up with strategic people initiatives in line with the business strategy.
- To increase their reputational effectiveness, HR business partners need to develop deep understanding of the business, get a solid grip on business financials and rely on data analytics more to be able to partner business colleagues with high value input
- To manage the challenge of dual reporting, HR business partners need to use effective communication to ensure speedy decision making, prioritize tasks, use strategic influencing by highlighting the option that makes the most business sense and rely on data backed arguments.
- To effectively build a relationship and develop a rapport with the business stakeholders, HR Business partners need to rely on empathetic engagement and show adaptability to the working style of different business unit heads. They should also make use of every opportunity to interact with their business stakeholders as more interaction would lead to more insight and more solutions to present for well-being of people.
- To ensure speed of decision making and agility doesn't suffer, HR business partners need to effectively manage the flow of information and not involve too many people in decision making.

Conclusion:

The data that was collected in the initial stage provided interesting insights into how matrix based organizations respond to dual reporting. Perhaps a noteworthy point of discussion was the challenges that the field of human resources faced as it seeks to gain a more prominent role in the active working of different business organization. Different structures, environment and cultural factors were found to be extremely important determinants of how successful any implemented HR strategy was. An important part to note regarding this idea was the imminent importance of the socio cultural aspect that different managers through ought are preliminary interviews stressed upon. An interesting research paper authored by Michael Badea and titled, “Cultural influences in human resources management” discusses the particular importance of how local contexts continue to define attitudes and those in turn define workplace ethic that has a significant impact on employee performance. Such cross linkages often provide interesting aspects as to how the application of HR strategies and its effectiveness is predicated upon such exogenous factors. Another interesting aspect that was considered to be the need of the hour was that managers in our focus group unanimously agreed that the efficacy of a matrix organization which involved the aspect of dual reporting was the effective communication between those who apply such a mechanism and those who are to be directly affected by it. The importance of communication, a cardinal rule in any HR strategy was a concerning factor for many HR professionals especially HR business partners whose evaluations are dependent on their performance yet that is out of their hands since the mechanism imposed warranted effective communication which is seldom found in many local firms and business groups. A concerning voice that was sounded by different managers was that in the local context where textile firms dominate the workspace landscape, the authoritarian style of governance in such firms is a severe cause for concern. Many managers stated that in order for HR strategies to have a better impact in local firms, Human resource management theories, ideas and their application needs to aptly tailored so as to be relevant to the local business environment. A prime example that was put forth was that for HR to better serve as a business partner for local firms it was important to study their history and their development as an organization. Recognizing that many HR strategies seem out of place in many indigenous firms and the first part in solving this problem is to recognize that an innovative thought process is needed to combat such problems.

More so another problem that was recognized was the problems related to the idea of measuring performance and the challenges that it thus posed. Most HR managers agreed that they had no standard performance measuring system and thus a lack of such a system meant that the findings of performance evaluations are rife with doubt and susceptibility. Perhaps this stems from a general uneasiness regarding something such as employee performance which in essence is a valuation of human capital, a debate that has been ongoing for many a year now. What was more surprising was that although many HR firms had routine employee evaluations for their business partner yet there was no follow up study as to how effective a performance evaluation system was in ensuring that employees worked to their fullest potential. On a related problem specific in a dual reporting system is the subjectivity that is rife when an employee has to report to two managers. It was interesting to note how evaluations of the same person were significantly different when two separate managers were asked to file separate and anonymous evaluation forms. The idea of preference and that of historical relations with the managers thus have a huge impact in how employees are graded. This may stem from a historical precedence of prioritizing one manager's work over the other and that in turn influences their perception of his actual performance. However, two metrics that were used based on research to measure the effectiveness of the model were reputational effectiveness and physical proximity. Perceived reputational effectiveness of HR function is that HR is still spending most of the time in dealing with administrative issues that does not spare time for HR to truly act as a strategic business partner. This is mainly down to the ineffective IT systems while Line management's un-willingness to take up administrative role is another hindrance. Espoused reputational effectiveness revealed that HR business partners feel involved in major strategic decision making for the function and are in the driving seat to lead people related decisions. Physical proximity of HR business partners to the business reveals that business considers HR as a value-adding partner and HR is involved in all strategic decision making forums.

The recommendations that can be drawn from the research are that matrix organization systems are considered to be the way to move forward for organizations of different sizes and in different industries and sectors. Its effectiveness has been observed through ought the globe and based on that its use in local firms need to be encouraged. This will not go a long way in improving performance but also highlight the importance of HR business partnering. Although a relatively new idea in the annals of the local business environment, yet its success is apparent all over the

globe. HR business partners are now considered an integral part of the framework of most major firms and their work has grown in imminence.

Dual reporting is an important part of any matrix organization and thus to ensure its effectiveness as a system the cardinal rule is to improve communication between those who are actually effected by the system. Due to its complex communication lines and often misleading pathways of how decisions are taken, dual reporting can present significant and often far reaching challenges which can have enormous cost both at an individual level and to the whole organization too. However the benefits are immense and thus it is imperative that its application is encouraged. In order to do that the most effective way to do so is to improve communication between the owners, managers and the people below them. Effective communication has been found to act as a trust building mechanism which promotes a healthier work environment, security and thus improves productivity. Thus in union with most of the HR managers that were interviewed for this research, communication is the key to employing any effective HR strategy and this then leads to an environment in which performances improve and the systems put in place to evaluate these performances are not doubted upon nor are they questioned.

In addition to effective communication, using strategic influencing skills and empathetic engagement with stakeholders are the key ways to address the challenge of dual reporting in the role of business partnering.

This convoluted system with different mechanism working in unison are the foundations upon which any HR strategy is built upon. Increasing awareness regarding its advantages and relevance to the local context can significantly improve corporate performance ad serve to benefit both the employer and the employee.

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Appendix 1 A: Interview Questionnaire

The following open-ended questions were asked from participants during interviews conducted to gather primary data

- What is the best organizational structure and how does a matrix structure affect your role?

- Why are companies increasingly adopting a matrix structure?

- What are some of the challenges of dual reporting in matrix structures?

- How can we measure the effective of the business partnering model?

- To what extent is HR function becoming a strategic partner to the business?

- In what ways can HR business partners overcome the challenge of dual reporting?

- How can we enable HR to become a true strategic partner?

- What is the business unit's opinion on HR playing a strategic role?

- Which aspects of your performance delivery are affected by reporting to two bosses?

- What are some of the key skills and traits that HR business partners need to acquire to be considered successful?
