

## **A Repertory Grid Approach in Exploring the Roles of HR departments in Vietnam**

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### **Summary**

There are few empirical studies which examined the roles of the HR department in an Asian emerging economy context like Vietnam. The present study adopts the repertory grid approach to investigate the roles of HR departments through perceptions of key stakeholders in Vietnamese organisations. The findings found that the framework of HR roles developed in Western economies was significantly present in foreign investment enterprises, but not found in privately owned enterprises in Vietnam. There were some dissimilarities between the perceptions of HR and non-HR specialists about the strategic and value added role of HR divisions in their organisations.

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Research on human resource management (HRM) within Western economies has shown that HRM has significant influence on organisational performance and sustained competitive advantage. The research literature demonstrates that high organisational performance is characterised by effective performance of HR departments. A specific aspect of this research is around the contribution of HRM to organisation and strategic management in terms of particular roles played by HR department.

The roles of HRM encapsulate a number of interrelated HRM functions, identified through empirical research in Western contexts (e.g. Ulrich 1997). Competitive imperatives to develop new products, improve productivity and operating efficiency to innovate and to 'value add' have meant seeking increasing employee commitment, creativity and flexibility. This has stimulated the transformation of traditional personnel management to the integration of managing people into business management and personnel management strategy (e.g. Storey 2007). This evolution in HRM has been mostly in the advanced developed economies, particularly the USA.

HR departments 'are not easily assuming the task of becoming business oriented and a part of management team' (Schuler 1990, p. 58) even though high performance of the organisation is shaped by the effective presence of the HRM department (Becker and Huselid 2006). Ulrich (1997) has argued that studying how the HR department contributes to an organisation's performance requires an examination on the effectiveness of the various roles that it plays. Also, the influence of HR departments could be examined through the incorporation of evaluation by multiple stakeholders about the importance and influence of HR departments (Galang and Ferris 1997).

Ulrich and his associates (2009) continued to reevaluate the changing roles of HR consistent with an increasingly sophisticated global business environment, each distinctive business environment would have distinctive framework of HR roles. Recently, Quang, Thang and Rowley (2008) urged HR practitioners in Vietnam to adopt similar roles to that advocated by Ulrich and his associates. Therefore, the current study aims to (1) identify the roles of the HR department in Vietnam, and (2) determine if there are any similarities and differences in how key stakeholders of organisations perceive the roles of HRM departments.

In order to obtain research objectives, the paper is presented with the review of people management pattern in Vietnam, particularly with consideration of divergence of the adoption of HRM in Vietnam, followed by the review of HR roles developed in Western economies. The next section presents methodology and research design followed by key results. The paper concludes with significant theoretical and managerial implications.

### **PEOPLE MANAGEMENT PATTERN IN VIETNAM**

Vietnam is positioned at the strategic crossroads in the Asia Pacific region. The pattern of people management system in Vietnam has showed characteristics of ancient Chinese philosophies in terms of Confucianism (Zhu et al. 2007) and the influence of Western cultures in Vietnamese organisations (Hofstede 1997, cited in Quang, 2006; Quang and Dung 1998; Quang and Thang 2004; Zhu et al. 2007). Interestingly, there are differences of the influence of culture in terms of ownership (Zhu et al. 2007). For example, SOEs and POEs have stressed harmony and egalitarianism while FIEs emphasise individualism and democracy in managing people (Zhu 2005).

King-Kauanui, Ngoc and Ashley-Cotleur (2006) argued that roles, functions, strategies of HRM practices will be shaped by external factors (including the external environment, cultural issues, government legislation and political factors), together with internal components (consisting of organisational nature, size, history and ownership structure). That is why HRM is said to be sensitive to the local context (Brewster 2005). Consequently, HR practices can vary among economies and organisations with different ownership (Bartram, Stanton and Thomas 2009). Therefore, a lack of understanding the Vietnamese culture and political structures in Vietnam could lead foreigners to poor decision making (Quang et al. 1998, cited in King-Kauanui et al. 2006) or inappropriate practices within the Vietnamese context (Kamoche 2001).

### **Divergence of the adoption of HRM in Vietnam**

Zhu and his associates (2008) find mixed adoptions among the socialist tradition, PM and HRM models in Vietnamese organisations in terms of the transformation of PM from a traditional model to the new model of HRM. Importantly, both Thang and Quang (2005) and Zhu et al. (2008) conclude that HR practices are not convergent at the same level of the adoption across different ownership, that are resulted from distinct backgrounds of different organisations. Foreign investment enterprises (FIEs) have adopted more HRM dimensions than the other types of ownership (Thang and Quang 2005; Zhu et al. 2008). Private sector is as young and dynamic enterprises, thus, privately-owned enterprises (POEs) are quicker to learn new management systems (Quang 2006). Meanwhile, state-owned enterprises (SOEs) are having little improvement to the new people management system due to bureaucratic and conservative political systems (e.g. Quang and Thang 2004; Quang, Thang and Rowley 2008).

### **Roles of HR Departments**

Traditional approaches to people management were not related to business planning (Tyson 1987). Proponents of strategic HRM in the 1990s argue that HRM needed to shift from an administrative focus to being integrated with an organisation's business strategy (e.g. Walker 1992; Storey 1992). Driven by the changing business context, PM and or HR departments need to review their effectiveness of roles and status in organisations aligned with business strategies (Schuler 1990; Gennard and Kelly 1997). Measuring the actions taken by the HRM department, Galang and Ferris (1997, p. 1421) conclude that the 'HRM department which engages in influence behaviours is likely to perform a wider scope of activities and be more involved in strategic planning'.

Ulrich (1998) notes the importance of a partnership between line managers and HR managers. This partnership allows timeliness in reconceptualising and reconfiguring HR activities to support line managers which ensures line managers commitment to HR outcomes. However, in practice, line managers seem to view HR departments as being best at providing basic HR services instead of playing strategic roles although they have a high agreement regarding to the importance of the HRM department in providing and delivering HR services (Wright et al. 2001). Thus, HR departments have faced the challenge derived from achieving 'strategic credibility and influence through undertaking operational activities' for gaining the recognition from line managers (Teo and Rodwell 2007, p. 278).

Within developed Western economies, HR departments are proposed to play as administrative expert, employee champion, change agent and strategic partner (Conner and Ulrich 1996). Ulrich and his associates (2009) re-established a framework of HR roles consistent with current sophisticated global business environment including talent manager/

organisational designer, culture and change steward, strategy architecture, operational executor, business ally and credible activist. However, these roles have been investigated in developed countries like the US. Meanwhile, within the Vietnamese context, the HR department aims to have competencies and authority to effectively become strategic partner, change agent, people champion and functional expert (Quang, Thang and Rowley 2008). Therefore, the present study focuses on investigating the model of HR roles framed by Ulrich and his associates corresponding to an Asian emerging economic country.

### **METHODOLOGY AND RESEARCH DESIGN**

The present study focused on HR departments in foreign investment enterprises (FIEs) (100 per cent foreign ownership), and privately owned enterprises (POEs). Institutional contexts have a significant influence on HRM when foreign organisations operate overseas (Rowley and Benson 2002). Thus, FIEs in Vietnam might bring Western practices into organisations when attempting to integrate those into the Asian emerging economy context (Quang 2006). On the other hand, POEs have been seen as a young, dynamic and important sector within the Vietnamese economy in creating new jobs and providing dynamic growth (Quang and Thang 2004) as well as gradually paid attention to adopting modern HR practices (Zhu et al. 2008; Quang et al. 2008).

The present study investigated enterprises in Ho Chi Minh City and its environs in the South because they are seen as strategic business and commercial centres, representing different aspects of Vietnam's economic development (Zhu et al. 2008). POEs and FIEs were selected from the Vietnam Investment and Enterprises Directory 2007 based on the criteria: type of ownership, enterprise location, size of the enterprise (small and large organisations measured by the number of employees at the time of the survey), labour intensity and product market target. The manufacturing industry was chosen because it is the sector in that the full variety of ownership is present (Zhu et al. 2008).

This study uses qualitative research that concentrates on investigating perceptions of managers about the roles of HR departments in Vietnam. Under the repertory grid approach the process of data collection was deemed to be sufficient. Data collection was completed upon data saturation (Glaser and Strauss 1967).

#### *Pilot Study*

The present study included pilot study and main study. The main purpose of the interview in the pilot study was to focus on questioning and wording in Vietnamese language. The outcomes of the pilot study were then compared with the framework from Ulrich and his associates (1996; 2009) to identify an appropriate set of roles of HR departments in Vietnam and generate function statements to test in the main study. The sample of the pilot study comprised of three HR executives, three line managers from FIEs and POEs with three HR experts from the Vietnam HR Club (Hoi Nhan su Vietnam), who have taught at universities and studied HRM in Vietnamese organisations, were involved in the pilot study.

To ensure the equivalence of translation, the present study followed the steps in translation and back translation discussed in the study of Brislin (1970). The pilot study was firstly aimed to make sure that the English questionnaire is designed as likely to be translatable by using 'simple sentences, repetition of nouns, avoiding metaphor and colloquialisms, avoiding English passive tense, and avoiding hypothetical phrasings or subjunctive mood' (Werner and Campbell 1970, cited in Brislin 1970, p. 185). Next, the pilot study recruited competent HR experts so as to secure their familiarity with the content involved in the English questionnaire

(Brislin 1970). HR experts involved in the translation were people who were knowledgeable and experienced in research on HRM in Vietnam, understood English and were familiar with the role framework of Ulrich and his associates.

During this process, the participants informed the researchers that several English expressions did not make sense in the Vietnamese language. For instance, ‘employees’ did not only mean ‘staff in office’ (nhân viên) but also workers (người lao động) in firms or factories. Additionally, the phrase ‘employee morale’ could not be simply translated as employee mindset or working spirit (tinh thần người lao động), but included ethics or morality of employees instead. Therefore, ‘employee morale’ was translated as ethics and spirit of employees (tinh thần và đạo đức của người lao động). It was emphasised that the term made more sense to participants because the words had unambiguous meaning.

‘Administrative expert’ was not simply seen as the traditional responsibility for updating and composing documents and undertaking transactions, but managing processes and programs in the organisation. The word ‘champion’ in the phrase ‘employee champion’ was understood as not only the person who won in a game but also a person who was admired and served as a role model for employees. Another term that was challenging was ‘employee commitment’. ‘Employee commitment’ was seen as employee engagement and devotion in Vietnamese. The interview protocol was then revised to reflect the above changes.

#### *Main Study*

The main study comprised of 12 participants from eight POEs and FIEs located in Ho Chi Minh City (see Table 1). Line managers were from a variety of managerial divisions including finance, production, supply chain and others. The overall design of the main study follows the key steps in the repertory grid technique outlined by Jankowicz (2003). This technique is appropriate for the present study because it helps the first author minimize individual and interpersonal biases during the interview as well as encouraging respondents to put shape for vague ideas and notions in a non-threatening environment. This technique is seen as the one for collecting complex and rich information from individuals with regard to understanding of their own thoughts and words without leading respondents to desired answers or subjective interpretations (Jankowicz 2003).

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Insert Table 1 about here  
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The main study investigated perceptions of senior HR managers, line managers and/or other key stakeholders of organisations about the effectiveness of HR departments towards enhancing the organisation’s performance. The data collected in the main study was analysed at the level of individual grids as well as using the aggregate of the entire information from twelve interviews. The final step was to communicate and confirm the findings with the interviewees via email in order to validate interpretations. The main study used the outcomes from the pilot study in terms of the individual repertory grids of the sample produced by the use of a purpose-developed software program such as Rep IV (Gaines and Shaw 2005). Sample representation of the repertory grids are reproduced below (see Tables 2 and 3). The explanation of meanings of individual grid was based on the results presented in the focus grid. The focus grid in the following tables illustrated the relationship of elements and constructs in terms of percentage (the similarity scores).

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Insert Tables 2 and 3 about here  
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Statements relating to the different roles of HRM department were elicited from the literature. These were shown to the participants to solicit their evaluation of the effectiveness of HRM department in performing these roles. Perceptions of effectiveness of a particular role were examined through whether s/he perceived the effectiveness of HRM department through a particular role statement in the same way as s/he assessed effectiveness in terms of a different role statement around the same aspect of a HRM department's function. The relationships between role statements were discussed with participants to make sure that they had a sense of ownership.

For instance, in Table 3, participant POE02L was asked to evaluate the effectiveness of HR department in performing role statements that are associated with the role as administrative expert. He perceived four pairs of role statements as the most alike (a similarity of 91.67%). On the contrary, he saw pairs of role statements included 'HRM department is measured by its ability to efficiently deliver HR processes' and 'HRM department designs flexible work schedule'; 'HRM department designs flexible work schedule' and 'HRM department manages labour policies and procedures' as the least alike (a similarity of 29.17%). Table 3 showed the simple relationship between elements that were perceived by respondent POE02L. Black circles in the table showed the relationship between elements that were construed as the most similar (highest similarity scores).

## RESULTS

Using RepGrid IV, the following roles and themes were identified.

### **Administrative Expert**

The role as an administrative expert played by HR departments was evaluated quite similarly between POEs and FIEs in terms of helping organisations maintain the timely operation of people management their organisations. Most participants in POEs and FIEs highly evaluated the performance of HR departments to make sure HR programs were managed consistently with the labour laws as well as helping other functions implement HR policies homogeneously. However, the respondents emphasised that the performance of HR departments in administrative work did not contribute to organisation's operational efficiency and productivity as mentioned in the framework. Rather, they addressed the performance of other functions as improving the operating efficiency and increasing productivity. As a result, the performance of HR department in terms of administrative work did not enhance the organisation's performance.

Most importantly, the main study found that the role as administrative expert was stronger in FIEs than in POEs. The very reason led to the findings was the perception of management team about the participation of HR departments in the operational aspects that was shared by most participants. In POEs, participants addressed that operational issues were the responsibility of top management team. Also, participants in POEs argued that there was a disconnection between HR departments and other divisions which led to the ineffective coordination between them.

It is difficult to coordinate with other functions because each division has different functional responsibilities and different targets. We do not have time to know and understand functional activities of other departments...HRM department only focuses on recruitment, remuneration, performance appraisal establishment and training as necessary without involvement in functional activities of other divisions (POE04L).

As a result, HR departments in POEs were seen as administrative consultant rather than an expert to other functions, who were in charge of implementing traditional administrative tasks together with providing advice to other functions about HR processes and programs. By contrast, HR departments in FIEs were highly appreciated due to the influence of qualified HR professionals on perceptions of management team about the participation of HR departments in operational aspects. They had much involvement on operational issues, integrating the performance of other functions to help the organisation operate smoothly with stability.

HR managers and non-HR specialists emphasised that HR departments were significantly contributors help the organisation operate smoothly by standardising and administering HR processes and programs. HR managers expected that HR departments in their organisations were fully recognised as administrative experts. Therefore, they urged much involvement of HR departments in operational issues as well as intervention into functional activities of other departments. The purpose is to help other divisions to process documents and transactions, manage working schedule, physical environment and monitor HR processes and programs in their functions. They perceived that those issues should be performed by HR departments.

By contrast, non-HR specialists resisted the influence and the intervention of HR departments in their functional activities. They saw the department as administrative consultant only focuses on labour policies and HR processes and programs. Non-HR specialists emphasised that without the intervention of HR departments, they could made working plan and manage their own physical space and working environment. In their opinions, HR departments should provide HR services to support other functions in managing employees. In other words, their expectations to HRM departments' performance that helped them know how to manage people and working with them in solving serious problems related to HR policies and procedures. Most non-HR specialists argued that HR departments performed normal administrative tasks rather than becoming administrative experts. They explained that the lack of competence of HR professionals understanding functional activities of other departments obstructed HR departments from developing the authority to participate in operational issues and improve operating efficiency and production.

### **Employee Champion**

There were differences in the role as employee champion between POEs and FIEs. The findings showed that HR departments in POEs mostly focused on developing processes and programs that helped to take care of employee personal demands and making sure to meet needs of employees. However, there was a lack of measurement tools for evaluating how HR departments satisfied employee needs. The other role statements in the framework that related to employee morale, commitment and innovation were not performed clearly and evenly by HR departments in POEs. Therefore, there emerged a need to improve the performance of HR departments in POEs in terms of taking care of employees through monetary and morale factors so as to build and maintain employee morale. Also, HR departments in POEs were required to coordinate with other functions in helping employees affectively commit to their jobs and diligently work for the organisation.

By contrast, HR departments in FIEs were seen as actively listening and quickly responding to employees by designing multidimensional communication system or annual survey of employee needs. Also, HR departments in FIEs were evaluated highly on their significant participation in building and maintaining employee morale and they coordinate other divisions to develop motivation and influence programs that helped employees to be more



interested in their work. However, HR departments in FIEs were not seen as champions for employees. It was explained that line managers got in touch with their staff, thus they were in charge of offering assistance to help employees find purpose and meaning in their work by spending time working with employees, and hence generating innovation in the organisations. Line management became pioneers in the implementation of business policies and programs to take employees as their model.

The perceptions of HR managers and non-HR specialists around the employee champion role were quite different. HR managers expected to be seen as champions for employees by attempting take care of employees and helping them to satisfy with the work. HR managers perceived that HR processes and programs significantly influenced employee morale and hence generated employee commitment. However, non-HR specialists argued that HR departments did not generate employee commitment. Rather, the performance of line management directly offered assistance to help meet employee demands and hence significantly generated employee commitment. One line manager in a FIE commented that

How could HRM department understand each employee in the organisation without directly working with them? We are direct management divisions so we know exactly how employees perform their work and how they feel about the organisation or their leaders. Also, we are the persons who directly take care of employees better than HRM department. We have to continuously motivate employees and help them generate new ideas in their work with rewards (FIE02L)

In general, the perceptions of non-HR specialists showed that personnel responsibilities of HR departments were transferred to line management, which was very different from HR managers' perception of the role that thought they should be performing and their report of what they do perform. However, HR departments were evaluated by non-specialists as effective in developing and managing processes and programs that helped employees meet their needs and coordinating with other functions to build and maintain employee morale.

### **Strategic Partner/ Change Agent**

The role as strategic partner/change agent was shown differently in POEs and FIEs. The findings presented that HR departments in POEs initially focused on increasing their influence and participating in business strategy to gradually affirm the role as business partner. Meanwhile, HR departments in FIEs were already seen as business partner with significant contributions to the development and implementation of business strategy. With regard to the role as change agent, HR departments in POEs seemed to be passive and less involved in leading changes. By contrast, the role of HR departments in FIEs was evaluated highly around driving change and helping the organisations adapt to change.

Perceptions of HR managers and non-HR specialists about the role as strategic partner/change agent were quite different. HR managers characterised issues relating to human resources as strategic matters. Therefore, they expected HR departments to spend time discussing strategic issues and HR strategies with top management. However, the non-HR specialist's reported that strategic issues were perceived as the topics discussed by other functions, such as sales/ marketing, production, supply chain and finance. HR departments were seen as HR service suppliers for other functions to help them implement business strategy.

In addition, the perceptions about who were responsible for leading changes and creating the need for change were different between HR managers and non-HR specialists. Non-HR specialists argued that changes happened as individual function in the organisation made changes. Also, non-HR specialists addressed that HR departments had less influence in helping employees understand why change was important than they did. Consequently, non-HR specialists did not see HR departments as change agents. By contrast, HR managers perceived that changes were driven by HRM departments. Therefore, HR managers expected that HR departments' performance in the role as strategic partner/change agent was accurately evaluated.

### **Talent and Resource Manager**

The role as talent and resource manager played by HR departments was found to be quite similar between POEs and FIEs. As shared by participants, to invest in talent, most HR departments in Vietnamese organisations concentrated on two aspects: firstly, offering normal training programs for common employees and advanced training programs for managers; and secondly, establishing performance appraisals to help identify strengths and weaknesses of employees. As a result, HR departments helped enhance work skills, and identify potential leaders. Also, HR departments in Vietnamese organisations focused on improving regulations concerning rewards and punishments to motivate employees as well as to attract appropriate people. Using challenging and valuable work to motivate and retain key talent was showed clearly in few organisations.

The differences in the performance of HR departments in talent management role between POEs and FIEs were the ability to remove people from the organisation and in managing diverse employees. In most POEs, employees had chances to shift their work until they found appropriate job and felt interested in it. Most FIEs argued that managing diversity was the responsibility of line management divisions. Also, some FIEs emphasised that line management used challenging and valuable work to motivate and retain key talents, and removed employees when appropriate.

The role as talent and resource manager was perceived quite differently between HR managers and non-HR specialists. According to HR managers, HR departments were in charge of motivating and retaining valued employees. Also, HR managers argued that HR departments set expectations for leadership behaviours. However, non-HR specialists perceived that the performance of HR departments in the role focused only on providing training programs for ordinary employees and potential leaders. Also, they reported that using challenging and valuable work to motivate and retain key talents was conducted by line management rather than HRM departments. They argued that diversity management was the concern of functional departments instead of HRM departments.

Interestingly, the findings showed the consensus between HR managers and non-HR specialists in the performance of HRM departments. They agreed the coordination of HR departments of other functions in motivating and retaining talents was effective. However, non-HR specialists argued that the participation of HRM department in this issue focused on providing training programs and designing attractive remuneration and welfare policies to attract, promote and retain appropriate people. A summary of the key roles performed by HR departments in Vietnamese organisations are reported in Table 4.

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## DISCUSSION AND IMPLICATIONS

The present study sought to explore the typical roles of HR departments in Vietnamese organisations by comparing and contrasting perceptions of key stakeholders in POEs and FIEs in Vietnam with the framework derived from Western economies. Using the Repertory Grid technique, we found support or partial support for the HR roles developed by Ulrich and his colleagues (e.g. 1996; 2009). The present study has found three appropriate roles of HR departments in Vietnamese organisations in terms of internal consultant and HR service provider that are prominent in POEs, and business partner that is remarkable in FIEs. Also, differences around strategic and value added role of HR departments by perceptions of HR specialists and non-HR specialists are revealed.

The present study found a tendency of the adoption of Western philosophies in people management in POEs. FIEs would serve as a role model that smaller and/or POEs would learn yet they are more strongly influenced by Vietnamese cultural values. The findings, thus, provided a chance to think about how HR departments could perform more effectively and efficiently, as well as how to be fully recognised with authority in business strategic planning.

This research into the roles of HR departments in POEs found that these departments fell short from the model developed by Ulrich and associates. This is surprising findings even though Quang and his associates (2008) pointed out a need for HR departments in local organisations to perform these roles. Literature on the challenge for HRM practice to become more strategically oriented in the Western context was evident in the early 1990s (see for example, Tsui 1987; Schuler 1990). There are parallels between this literature's characterisation of HRM practice in all firms with the practice of HRM in POEs and in terms of the perceptions of management team. HR departments in POEs have faced the incorrect evaluation of top management team and other functional managers of its potential in helping the organisation enhance its performance through playing different roles that constitute the success of business.

Particularly, HR departments in POEs were found to have been seen as internal consultants for top management team and other functions about how to effectively manage employees and exploit strengths and competence of employees through HR processes and programs. Also, HR departments were found to be involved in the business strategy only as supplier/supporter of HR services. It is argued that HR departments have assisted the organisation and other divisions in providing competent employees when necessary rather than actively participating in business planning. The role of HRM department as internal consultants perceived by POEs in Vietnam is consistent with previous results in studies of Tsui (1987), Schuler (1990), and Caldwell (2003). Therefore, there has still been the need of enhancing capacity of HR professionals in POEs to develop a centre of expertise and full authority in people management and business strategic planning, a conclusion that was generated in studies by Quang and Thang (2004) and Quang et al. (2008). In other words, HRM in POEs in Vietnam is like earlier versions of HRM in Western economies in which HRM was not playing a strategic role.

In FIEs, the role as administrative expert and champion for employees have been less expected in FIEs than those in POEs. This point is consistent with the finding in Caldwell's study (2011) about the focus of HR departments in UK. In other words, the findings showed that HR departments in FIEs have been asked to effectively help line management and the organisation in staffing and personnel administration, delivering right talent and providing available right administrative support (Lawler 2011). The present study found that

administrative work or personnel responsibilities had been transferred from HR departments to line management divisions. Respondents in FIEs argued that the HRM department should spend time on helping the organisations in developing HR processes and programs linked to business strategy rather than spending time on normal administrative tasks. The findings supported the results that have been found in Western economies (Gennard and Kelly 1997; Teo and Rodwell 2007).

In comparison with those in POEs, the findings emphasised that HR departments in FIEs have had high appreciation from top management team and other functions to increase the influence and much involvement in the business planning. As a result, HR departments in FIEs in this study have had opportunity to adopt formal and professional HR processes and programs because of the homogeneity of people management system from headquarters in Western economies to subsidiary companies in other economies. The findings mean that the HR departments in studied FIEs in Vietnam have embraced the role of business partner that Western HRM theorists have identified in the Western context as a characteristics of ‘best practice’ HRM (Ulrich et al. 2009).

There were some particular practices that respondents described for FIEs that support the characterisation of HR departments in FIEs as a business partner. One practice was the inclusion of HR professionals in board meetings, which means that the HR department may know how to link and align HR strategies with business strategy. Caldwell (2011) highlighted the importance of HR managers’ participation in the board room for enhancing the influence and involvement of HR in developing business strategy. Consequently, HR departments in FIEs were evaluated as effective in terms of assisting other divisions to provide appropriate employees for the implementation of business strategy. HR divisions have actively defined HR strategies that focus on developing and enhancing employee competence through advanced training programs and performance appraisal programs (the use of KPIs is one of popular assessment tools adopted in most FIEs).

Interestingly, the findings showed that HR departments in FIEs had aspired to become strategic business partners in the development and implementation of business strategy that led to support the standpoint in study of Caldwell (2011) in relation to the formality of the adoption of HRM in FIEs. It is explained that HR departments in studied FIEs have embraced the people management system of headquarters located in Western economies, thus, it is proposed that HR departments in FIEs have full authority in participating in business planning. The findings led to support previous studies of Gennard and Kelly (1997), Teo and Rodwell (2007), Caldwell (2011) in relation to the transferability of administrative and personnel management within Western organisations and the reduction of the aspiration of becoming administrative expert and employee champion. It is argued that line management divisions have had full autonomy in managing their employees within the guidance of HRM departments. It is argued that HR departments in FIEs have been asked to effectively help line management divisions in personnel administration, delivering right talent and providing available right administrative support at right time.

### **Perceptions of key stakeholders**

HR specialists and non-HR specialists shared an agreement that the importance and involvement of HR departments was critical of the organisation’s success. They addressed the significant performance of HR departments in timely providing useful information about labour force, training employees, retaining appropriate people, and designing appropriate HR processes and programs support the business strategy. There were some differences among

participants. HR specialists seemed to highly evaluate effective roles of HR departments in the organisational and strategic management. The influence and effectiveness of HR departments were reflected by means of closely working with senior management group on the key strategic issues and keeping informed about the best HRM practices in other organisations. HR specialists addressed that the performance of HR departments were critical to the organisation by means of recruiting, selecting and promoting appropriate and qualified employees in the implementation of business strategy. In addition, the performance of HR departments in providing HR services (designing HR processes and programs, administering transactions, recruiting and training) was evaluated as effectively contributing to the success of business. They argued that HR departments provided HR services at right time for other functions and the organisations to implement strategic issues.

In terms of non-HR specialists' views, their high evaluation in the present study focused on the role as administrative expert. Non-HR specialists admitted that the performance of HR departments significantly contributed to the performance of their organisations by means of maintaining people management and supporting HR services to line management. They highly appreciated the ability of HR divisions to efficiently manage and administer HR processes and program in organisations. However, line managers saw HR departments as HR service suppliers rather than becoming their strategic partner or business partner. Line managers explained that HR departments lacked competency to satisfy their expectations in HR roles and responsibilities. In their opinions, line managers emphasised that HR departments performed effectively in providing normal HR services but did not add values to the organisation's performance. They addressed that the nature of HR departments as recruitment, training, selection and promotion, remuneration and welfare that did not bring monetary values to the organisation. In general, line managers showed their disagreement about the absolute effectiveness of HR departments in delivering HR services around employee champion, strategic partner and talent management roles. The interesting point in regard to perceptions of non HR specialists is that they do not see the value of the performance of HR divisions added to organisations.

Differences of line managers and HR executives on the roles of HR departments in the present study provided support to the findings in previous study of Wright and his associates (2001). In Vietnam, HR managers seemed to evaluate the performance of HR departments as effectively and strategically contributing to the organisation's performance. By contrast, line managers perceived the HR departments as effective in providing normal HR services that help the organisation operate smoothly with stability. The strategic and value added role of HR departments in organisations has not been highly assessed by line managers. Also, line managers do not highly evaluate HRM department's value added contribution to the organisation's success. The findings in the present study support the notion that HR managers and line managers within Vietnamese context also differ in their perceptions of the roles of HRM department. Obvious explanations provided by participants in the present study emphasised what Wright and his associates (2001) assumed. It is explained that HR departments in Vietnamese organisations (except FIEs) have lacked skills of HR employees in order to market the activities of HR departments, improve HR services and increase the influence of HR departments in business strategic planning. Also, some of line managers in the present study were not thoroughly familiar with all of the activities in which HR department engaged so that they could not highly evaluate contributions of HR division. In addition, another explanation was about the ownership of HR services performed by line managers and HR executives. Some functions statements were supposed to line managers' responsibilities and the others were managed by HR departments. Thus, line managers tend to

rate low effectiveness of HR departments on what activities in which they are involved in (Wright et al. 2001). Interestingly, another possible reason was education background that was shared by POE participants. It is said that Vietnamese managers regardless of top, line or HR managers who studied overseas or learned modern theories of business administration highly appreciate the importance of HR departments to the success of the business.

Regarding to perceptions of key stakeholders, top managers think HRM is much less important than HR specialists do. There is no one right or wrong. The present research found a misunderstanding of functional activities and contributions among different divisions in Vietnamese organisations. Non-HR specialists did not recognise the importance of HR departments due to the difficulty to measure the return on investment in human capital. Also, the lack of coordination between different divisions and the fact that HR professionals in most organisations have failed to sell themselves in organisational and strategic management led to differences in perceptions of key stakeholders.

The present study helped line managers and HR executives re-evaluate and acknowledge the roles of the HR department as well as the competence of HR professionals. Participants were helped gain the knowledge about HR roles as well as gain the influence and the effectiveness of HR departments in the organisational and strategic management thorough academic frameworks and measurement tools. The transferability of administrative work and personnel responsibilities from HR divisions to the others would not reduce the importance of HR divisions because HR departments could focus on talent management, change management and HR strategies that are aligned with business strategy to assist the organisation achieve business goals.

### **CONCLUSION**

The present study contributed to an understanding of the effectiveness of HR departments in performing different roles in an Asian emerging economy. Respondents' views emphasised the lack of a strategic role and the low importance of HR departments in the development and implementation of business strategy in POEs. The findings in POEs showed a tendency that was found in the Western literature (Ulrich et al. 2009; Caldwell 2011), between the capacity of HR professionals and the perceptions of top management team about the involvement of HR departments in operational and strategic management, but has not been investigated in an Asian emerging economy.

HR departments in POEs focused on doing administrative work and spend little time on operational and strategic management. The present study found a tendency to adopt Western philosophies in the people management in such organisations. The findings supported results in the studies by Quang and Thang (2004) and Zhu et al. (2008) in terms of the transferability of informality to formality of the adoption of HRM practices in POEs in Vietnam. The findings in FIEs were consistent with the literature on HRM derived from Western economies. HR departments in FIEs in Vietnam showed their maturity in the adoption of people management, similar to the findings by Quang and Thang (2004) and Zhu et al. (2008). HRM professionals in FIEs were exposed to Western philosophies and Western management styles diffused from their headquarters in Western economies.

#### *Limitations and future study implications*

The repertory grid technique is seen as new tool to participants because there have not been many studies which adopt this particular technique in HRM (with exception of Li 2009). With regard to the aim of the study, the present study could include small number of participants. Particularly, results in the present study may only be applicable to organisations

that have similar characteristics with interviewed organisations. Obviously, the findings cannot generalise the information or be representative of the population of Vietnamese organisations. This study that is intensive at the level of the concepts used by participants could serve as a foundation for survey research or longitudinal case studies. Also, further research could focus on convergence and divergence of the roles of HR departments with regard to firm size because there are differences of the adoption of HR practices and activities.

People management in Vietnam is affected by political and cultural environment (Quang and Thang 2004; Zhu et al. 2007), so the present study leaves a question 'why' with regard to what constitutes or affect perceptions of the roles of HRM departments. There is potential to consider for case of Vietnamese HRM in the 'convergence versus divergence' debate. That is, whether POEs in Vietnam will continue to retain distinctive approaches to HRM or whether HRM in these firms will evolve towards the Western 'best practice' approach to HRM. Such research would need to consider whether the example of HRM in FIEs uncovered in this study will exert an influence over HRM in POEs in coming years as Vietnam continues to develop. Thus, further research needs to focus on investigating the influence of contextual and situational factors or institutional context on the roles of HR departments in Vietnam.

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**Table 1. Industry Backgrounds of Respondents**

<b>Ownership</b>	<b>Industry</b>	<b>Size</b>	<b>Main product</b>	<b>Product market</b>	<b>Labour intensive</b>	<b>Line vs HR</b>
POE	Bakery company	small	biscuits	export and domestic	high	1 Line manager
POE	Plastic company	large	plastic products	export and domestic	high	2 Line managers
POE	Bakery company	large	biscuits	export and domestic	high	1 HR manager and 1 line managers
POE	Printing company	small	printed papers	domestic	low	1 HR manager
POE	Beverage company	large	soft drink	export and domestic	high	1 HR manager and 1 line manager
FIE	Beverage company	large	soft drink	export and domestic	high	1 Line manager
FIE	Electronic company	large	electronic household	export and domestic	high	1 HR manager
FIE	Beverage company	small	beer	domestic	low	1 Line manager
FIE	Petro and oil company	large	oil and petro	domestic	low	1 HR manager

Note:

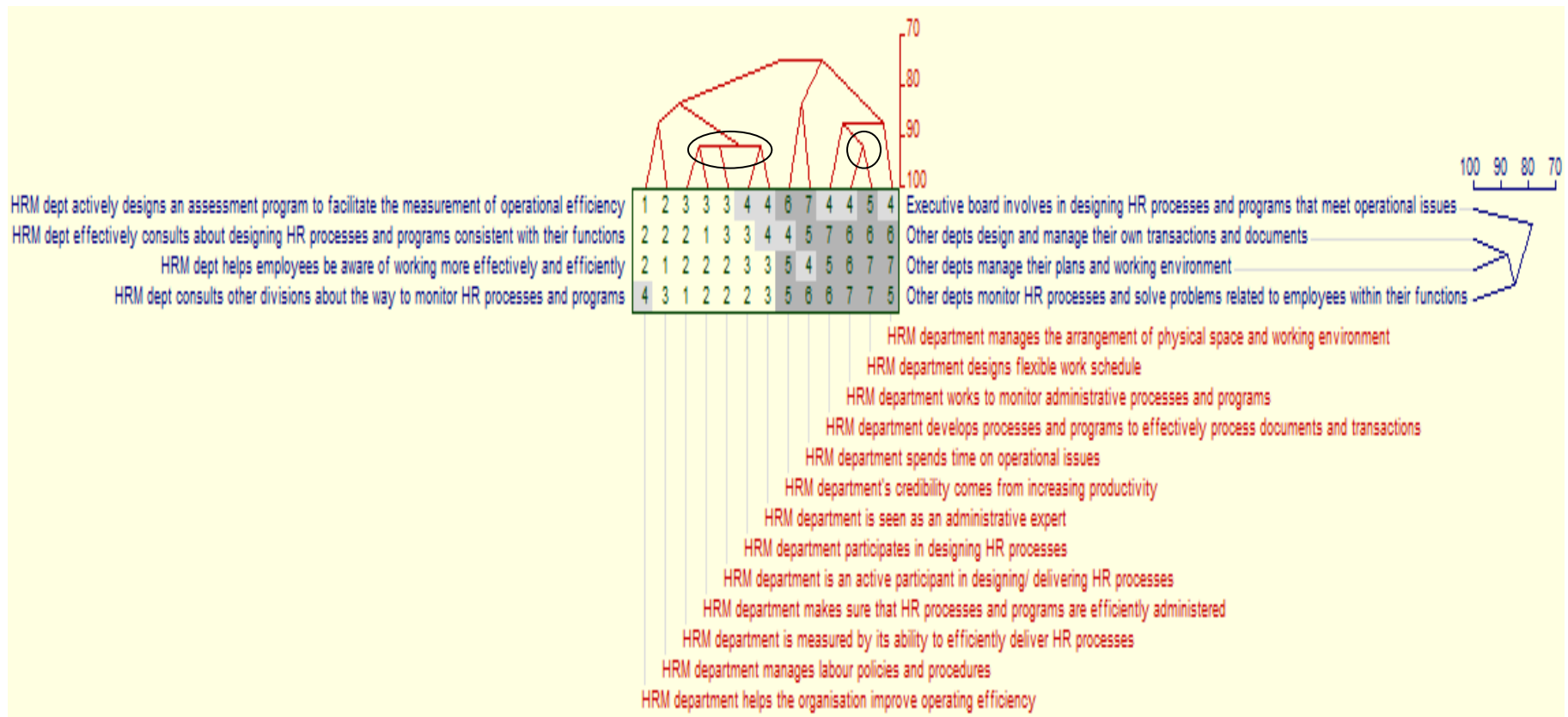
POE: privately owned enterprises

FIE: foreign owned enterprises

**Table 2. Display grid of the participant POE02L (Administrative Expert)**

HRM dept effectively consults about the design of HR processes and programs consistent with their functions	7	6	4	1	5	2	3	2	4	3	6	2	6	Other depts design and manage detailed transactions and documents
HRM dept consults other functional divisions about the monitor of HR processes and programs	6	7	3	2	6	1	2	4	5	2	7	3	5	Other depts monitor HR processes and solve problems related to employees within their functions
HRM dept actively designs an assessment program that facilitates the measurement of operational efficiency	4	4	4	3	7	3	3	1	6	4	5	2	4	Director board involves in designing HR processes and programs that meet operational issues
HRM dept helps employees be aware of working more effectively and efficiently	5	6	3	2	4	2	2	2	5	3	7	1	7	Other functional depts manage their plans and working environment
														HRM department manages the arrangement of physical space and working environment
														HRM department manages labour policies and procedures
														HRM department designs flexible work schedule
														HRM department participates in designing HR processes
														HRM department's credibility comes from increasing productivity
														HRM department helps the organisation improve operating efficiency
														HRM department is an active participant in designing/ delivering HR processes
														HRM department is measured by its ability to efficiently deliver HR processes
														HRM department spends time on operational issues
														HRM department makes sure that HR processes and programs are efficiently administered
														HRM department is seen as an administrative expert
														HRM department works to monitor administrative processes and programs
														HRM department develops processes and programs to effectively process documents and transactions

**Table 3. Focus grid of participant POE02L (Administrative Expert)**



**Table 4. Roles of HR departments in Vietnamese organisations based on ownership types and stakeholders' perceptions**

HR Roles	Differences			
	Ownership		Multiple stakeholders' perceptions	
	POEs	FIEs	HR specialists	Non-HR specialists
<b>Administrative Expert</b>	Ineffectively performed	Showed the transferability of administrative tasks to line management	Expected much involvement and intervention into operational issues and functional activities	Perceived that HR departments performed normal administrative tasks
<b>Employee Champion</b>	Ineffectively performed	Effectively performed Functional departments as employee champions	Expected to become employee champion	Perceived individual departments as champion for employees
<b>Strategic partner/ Change agent</b>	Started to perform as business partner	Completely performed as business partner	Expected to participate in strategic issues instead of becoming as HR service supplier Expected to lead changes in the organisation	Perceived the participation of key functions, that created monetary values, in strategic issues, and changes were derived from individual function
<b>Talent and resource manager</b>	Invested in talents for short term	Invested in talents for long term	Expected to gain influence in the functional management in motivating and retaining talents	Perceived that individual function recognised and motivated key talents for the organisations