Evaluation of Level and Quality of HR Business Partnering in HR Department of Production Company

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Abstract. The objective of this study was to understand the quality and level of HR Business partnering within HR department of a production company. In relation to HR Business partnering, several activities are defined, which are closely interconnected with the HR department of the company. In connection with the determined activities, there are defined skills, abilities, and qualities a modern HR officer should have in the context of the individual processes and HR Business partnering. The main benefit of this study consists in determining innovative techniques in the process of human resources management, which may help increase efficiency and improve the transformation of individual corporate processes.

Keywords: HR Business partnering; Human Resource Management; personnel management; HR department; social responsibility; sustainable development

1 Introduction

The process of human resources management is not limited to managers that lead their subordinates: it includes other employees working in the production company on the basis of employment contract. An important part of the process of human resources management in an HR department is to specify the direction and goals in organizing human capital. This would enable the maximum use of both corporate and personal goals of employees of a selected company.

The key problem in HR Business partnering consists in the importance of the change which leads to new position in the company. HR Business partner sees his/her role as a shift from routine and administrative activities to far more diverse, consultancy activities, with a close interconnection of strategic processes and activities. HR Business partner is expected to achieve self-realization, commitment and increased engagement, which is often a symbol of prestige and it is a priority required from HR Business partners. A big problem for HR Business partner is the transformation of his/her position concerning the preparedness and ability of adaptation to changes in order to achieve long-term efficiency and coherence in the HR department as well as in other departments of the company. The ability of transformation should be based on the intention, change, precise definition of HR Business partner’s role and its content with regard to the technical prerequisites and organizational changes of employees in the HR department. What is important for each HR Business partner is his/her qualitative competence, preparedness for changes in the tasks performed and in measures with personnel character. Long-term effective persuasion of managers represents a great challenge in HR Business partnering, where communication between these entities as well as among all stakeholders plays an important role.

2 Literary research

Key benefit for processing theoretical knowledge is the use of scientific articles and scholarly literature dealing with the issue of innovative techniques in modern Human Resources (HR). In the problematic area of HR, it is necessary to focus on new, innovative knowledge that is changing and adapting within the global environment in HR department. However, it is necessary to build on the theoretical knowledge which pave the way for new theories and knowledge in HR Business partnering. This knowledge enables the improvement of partial steps and the level of HR management. According to the author of the paper, the key professional literature is the publication by Vojtovič [1], which deals in detail with personnel management in the conditions of scientific progress with the concept in production management, with subsequent practical application in personnel management.

Morris et al. [2] argue that the major changes in Human Resource Manager (HRM hereinafter) are caused by managerial experience, which are constantly improved and are closely interrelated, depending to a certain extent on new organizational forms in the company. The author believes that findings published by Battaglio [22] are very innovative, as the author focuses on the issue of human resources and the use of employee hard skills with subsequent promotion of the access along with the soft skills in HR department.

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The specification of the development of human relations, which have an impact on new roles in the HR department, can be considered very innovative. The models of sustainable human resources management (SHRM) are constantly developing; in the literature, several useful models are proposed, e.g. the model by Zaugg et al. [3], which identifies the success factors in the perspective of the organization and employees. The author also defines the fact that the empirical research depends on the sustainability of HRM in practice. The study also systematically expands the concept of HRM, which is based on conceptual and qualitative case study. Järström et al. [4] state that any organization needs a basic concept capable of satisfying all stakeholders in the process of HR Business partnering. The study by De Prins et al. [5] focuses on the perspective of HR in the long term; Kumar et al. [6] deal with specific models of sustainable HRM. The issue of HR Business partnering as a model is further addressed by Hunter [7], who points to the changes and challenges concerning the role of HR Business partner. The author provides an overview of newly-created models in providing services for the functioning of HR, such as changes in the development of shared services or outsourcing.

There are many authors who deal with the issue of roles in the HR sector, e.g. Dhanapat et al. [8], who identified seven major topics indicating that HR officers must take over the roles of strategic business partners and talent managers, which requires personal competencies, such as being a creative innovator, change agent, strategic partner, and enabler of people that need to be hired in the area of human resources. So far, there have not been many studies focused on Generation Y with a subsequent connection of HR department. Pechová [9] concludes that a vision is very important in HR department, as it can serve as a basis for evaluating various characteristics of a creative person and other criteria for evaluating innovative technique of VAC (The virtual assessment centre).

The precise specification of the role of experts in the area of human resources is addressed by Ulrich and Brocban[10], who define various roles of employees working in the area of HR. According to Bakuwa [11], HR officers are professionals who have a number of roles within HR. The most common role is human capital developer, who supervises and works individually or in a team to ensure employee satisfaction so that they are successful in the near future. Industry 4.0, referred to as the current digitization trend, is related to the automatization of production in production companies and the changes in labour requirements brought by new technologies of practices and work opportunities, as added by De Ruyter et al. [12]. Ammari et al. [13], employees need to update their competencies according to the requirements of new industries.

Many employees need to be retrained in order to be able to adapt to this transformation. The functional expert, formerly known as administrative expert, takes a new role of an expert related to the human capital practice, which are a key to the HR value [11]. According to Sharma [14], HR officer shall participate in the development of HR systems in order to achieve their proper functioning in the organization. Experts in the area of human resources as functional experts contribute to the competitiveness of the organization in terms of its human capital by selecting and recruiting the best candidates.

Methods and procedures for filling the vacancies are important for the adaptation of personnel information system, which serves as a basis for the application system and the support for personnel work. Network-oriented personnel management of human resources directed by strategies for various technologies plays an important role [15]. Decision-making on human resources is essential, as stated by Stewart a Brown [16] or Mathis [17], who focus on the current issues in the area of Human Resource Management. The author considers human resources planning to be successful if strategically targeted at the specific needs of the organization. The author determines the strategic planning of human resources and emphasizes the role of HR officers as business partners who are of crucial importance for strategic planning and procedures within HR department. The importance of the HR Business Partners as the strategic role for organization is addressed by Kenton and Yarnall [18].

International human resources management provides a critical evaluation of the current international human resources management. This is confirmed by Armstrong and Taylor [19] and the theories and models in human resources management. There are also new trends that change constantly with human resources management and that need to be considered. As Horváthová, Bláha and Čopíková [20] state, these trends most often concern the application of ethical principles within human resources management, personnel controlling, or diversity management. The research of the authors is related to generation Y and its efforts for engagement and clarification of the role of HR department in employee development. The trends are also connected with the innovations in modern recruitment. Tegze [21] focuses on the practices of modern recruitment, which serve as a basic pillar for finding employees.

The author of the paper submitted applies the above issue in the evaluation of the level and quality of HR Business partnering in an HR department. The main objective is to present and analyse new measures in HR Business partnering in a selected company and thus streamline the transformation of processes and their partial information in HR Business partnering. The main output of the study is to define the prerequisites that enable a long-term and effective innovation of trends in modern human resources management. For the purposes of the paper, the following two research questions and one hypothesis were formulated:

RQ1: Which skills and competencies does an HR manager need in business partnering and in HR department of the company Mondi Bupak?

RQ2: What business processes or activities are interconnected with HR Business partnering in the company Mondi Bupak?
H1: Social responsibility and sustainable development of the company Mundi Bupak helps develop and participate in other activities within corporate processes and in HR department.

A prerequisite for answering the research questions is targeted development of competencies for current and potential future processes in the company Mundi Bupak. The main goal is to improve and implement partial changes in a HR department.

3 Methodology

The company selected as a test sample for analysis within an HR department is Mondi Bupak, s. r. o. based in České Budějovice. Mondi Bupak is one of the leading manufacturers of high-quality corrugated cardboard. The company has a long tradition in manufacturing and specializes in manufacturing innovative packaging solutions for a wide range of industries, including food and consumer industries. The portfolio of the products of the company includes standard slotted cardboard and shape-cut packaging, as well as packaging with high-quality multi-colour flexo-printing, packaging with applied tear tape, reinforcement tape, and sealing tape, moisture and oil-resistance barrier packaging, water-resistant corrugated cardboard gluing.

Company policy of Mondi Bupak consists mainly in the product quality, environmental care, and occupational safety. To achieve the above objectives, which are included in the company policy, the company uses an integrated quality system. A part of the system is an experienced sales and service team, which provides customers with full support and logistics services that ensure both current and above-standard requirements. Above-standard requirements concern direct deliveries as well as deliveries ensured through external warehouse.

The environment of the company is based on the concept of sustainability, which is also the strategy of the company. The corporate environment encourages the growth of values, which may ensure the success of the company within the global challenge of sustainability. Human resources department, as well as other departments in the company promote open communication and cooperation, which facilitate to address risks and opportunities with the aim to generate values for all stakeholders in the long run and tackle complex global challenges, which other competitors are only able to tackle separately. Performance is a priority for the company in terms of its focus on lean processes and quality management programmes which increase the productivity and efficiency. The company applies long-term processes of continuous improvement, which are focused on increasing productivity, efficiency, reduction of waste and ensuring lean processes. Mondi Bupak also focuses on supporting organic growth and strengthening cost competitiveness. The key activities in the area of human resources management establishes the safety of employees at the administrative level as well as in potentially hazardous environment, such as in production. The long-term goal is to encourage critical thinking of employees and thus improve their skills, which are part of the development of agile and motivated employees. This enables further implementation of the company’s strategies and thus manage the success of the company in a sustainable way.

The method of observation was used as a primary method for evaluating HR Business partnering in the Human Resource department of the manufacturing company Mondi Bupak, which enables monitoring the processes in the company and identify the intensity of individual activities of the Human Resource department. The observation method enabled the introduction of the interconnection of individual personnel processes in the HR department and their systematic summary and application to the dependence of phenomena in the HR Business partnering. A significant starting point was the analysis of key activities, which facilitate the transformation of the processes and sub-activities within the company. The application of the observation method was followed by the application of the relational method, which enabled the analysis of the dependence between HR Business partnership, HR department, and corporate processes. The method of observation and the relational method are focused on the interconnection of the processes in the following areas:

- Challenges, strategies, management culture,
- Market, supply and customers,
- Operation, partners and suppliers,
- Management structure and activities,
- Sustainability approaches and practices,
- Education and development of employees,
- Corporate social responsibility,
- Partnership,
- Communication in organization.

Considering the above areas, a structured interview with the head of the HR department is conducted. The questions in the interview are formulated with regard to the aforementioned processes in the areas determined based on the results.
of the observation and relational method. The structured interview serves as a source for collecting corporate data and information about corporate processes. Individual questions in the interview are focused on the areas such as employee satisfaction (e.g. motivation, financial benefits, etc.), interconnectedness of individual processes (e.g. selection of suppliers), employee involvement in decision-making processes in order to improve the operation of the organization and processes concerning the HR department.

The structured interview is processed using the content analysis, which enables a systematic, objective and quantitative analysis of the interview outputs. The content analysis also enables sorting out the data obtained through the interview and systematic identification of the key data, which are subsequently used for relational analysis.

4 Results

In the globalized world, sustainability within HRM and manufacturing techniques in a manufacturing company is assumed to be related to the proper materials and practical use of assimilation only. The sustainability of traditional roles and tasks of a HR department often shift to HRM competencies in order to maintain the human resource base in the organization. HRM significantly influences organizational viability of human resources in the company. Recently, there have been a number of studies relying on researchers in order to maintain human resources management and strategic potential for HRM.

Within its global strategy, Mondi Bupak focuses on human resources, specifically, recruiting, retaining and development of human resources in order to gain competitive advantage over other manufacturing companies through human resources management.

The method of observation applied in the structure of the management identified management activities based on excellent production, successful customers, sustainable development, quality solutions and inspiring people. In terms of processes interconnectedness in the organization and in the HR department, the observation method and documentary analysis identified sustainability approaches and practices, which were subdivided into 6 groups and further specified by the parameters below.

<table>
<thead>
<tr>
<th>Parameters</th>
<th>Specification of parameters</th>
</tr>
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<tbody>
<tr>
<td>Safety of employees and suppliers</td>
<td>Avoid completely fatal accidents related to the work of employees and suppliers</td>
</tr>
<tr>
<td></td>
<td>Prevention of injuries with long-term consequences</td>
</tr>
<tr>
<td></td>
<td>Reduction in the number of work-related accidents</td>
</tr>
<tr>
<td></td>
<td>Greater employee security in professional and private life</td>
</tr>
<tr>
<td>Qualified and engaged employees</td>
<td>Cooperation with employees in order to create a better workplace</td>
</tr>
<tr>
<td>Fairness at workplace</td>
<td>Promotion of fair working conditions at workplace</td>
</tr>
<tr>
<td>Supplier retention, responsible procurement</td>
<td>Promoting the transparency of supplier change, promotion of fair working conditions with key suppliers</td>
</tr>
<tr>
<td>Relationships with communities</td>
<td>Strengthening social values in communities by means of stakeholders and meaningful investment</td>
</tr>
<tr>
<td>Propose solutions that would create value for customers</td>
<td>Promote sustainable and responsibly manufactured products</td>
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*Source: Author.*

Based on the observation method, an interview with the head of the HR department, HR manager Arnošt Vydra, was conducted. The first part of questions was aimed at employee satisfaction. The methods used by the company to determine the satisfaction of its employees include a regular survey of employee satisfaction or Employee Survey. The survey includes several sub-categories, and employees comment on various topics. The survey is followed by the evaluation and presentation of results. Subsequently, action plan “You said, we did” is prepared. The results of the survey are compared with the results from the previous surveys conducted earlier. Employee satisfaction and implementation of the action plan are thus greatly emphasized. Based on the results, there were built new employee showers, the remuneration system was changed, the system of passing information and communication between individual departments was improved, etc. Another method is a regularly conducted development interview with a supervisor - PDR (Performance Development...
Review), which, in addition to the evaluation of the previous year, results in creating an educational business plan for the next year and setting the objectives for further development.

The second area concerned employee motivation and benefits. In terms of determining the interconnectedness of individual processes, the author of the paper considers very important to identify the attitude of the company towards its employees in the form of their motivation and stimulation. An assumption is that individual motivational factors enable the company to ensure the smooth running of the corporate activities in individual processes. The outputs of the structured interview in the area of employee motivation and benefits include non-financial benefits regulated by the company in the collective agreement, which is based on the social development and care for employees. The main benefits provided by the company include: reduced working hours, extra week of holiday, healing programmes (massages, pedicure, vaccination), social programme, corporate catering, team sports support, benefits aimed at employees’ children (children’s camps, ski courses), corporate events, “Making a difference day” – a one-day event to raise environmental awareness, waste sorting, chemical substances disposal, occupational health and safety, fire protection.

The third part of questions in the interview focused on the stimuli which enable to ensure employee work-life balance. Employees are offered flexible working hours when possible. All employees can make use of services offered by contract masseurs or pedicurist (stressed parts of body, necessity to wear safety toe shoes in production, etc.). Within extended health care offered by Mondi Bupak, full vaccination against tick-borne encephalitis and subsequent revaccination, and flu vaccine are covered. As for child-care benefits, the company contributes financially twice a year to activities organized by schools, interest organizations, sports clubs, etc. This refers mainly to children’s camps, sports courses, ski courses. Mondi Bupak contributes 65% of the total voucher price for multi-day stays in the Czech Republic, and CZK 2,500 in the case of stays in foreign countries. This benefit can be used by employees for all their children. As for winter season activities, the company rents an ice rink for employees and their children. The work-life balance is supported by providing an extra week off for their employees during Christmas holidays, when the production is interrupted so that employees could enjoy this holiday with their families and friends. This benefit helps motivate employees and reduces staff turnover as well as employee absenteeism.

The fourth part of questions dealt with the activities beyond the applicable legislation in terms of occupational safety and health protection. For Mondi Bupak, employee safety is a priority. As part of occupational safety, Mondi Bupak is proud of the fact that no person who enters or work on company premises has ever been injured or damaged. This thus applies to the safety of employees, suppliers, or visitors. Every year, the company organizes a “Making a difference day”, an all-day event aimed at raising environmental awareness, sorting waste, disposal of chemical substances, and occupational safety and fire protection. During the year, the company also carries out interactive training beyond the applicable legislation. The company tries to prevent work-related injuries to eliminate them. Interactive training has a form of exchanging information with other companies.

The remaining part of questions concerns the involvement of employees in the decision-making processes related to the improvement of the operation of the company. The company has a database of employee improvement proposals. The employees can express their opinion and make specific improvement proposals. The company also conducts regular surveys of employee satisfaction, holds regular meetings of employees and management of the company, during which interesting suggestions and improvement proposals are made. Another way to involve employees in the decision-making processes is Trust box, through which the employees can express their views and opinions.

The research methods applied have brought results concerning the interconnectedness of the processes with the HR department activities. Based on the results, the author of the paper was able to compile a scheme of interconnectedness of activities in connection with the HR department (see Figure 1). A key element in HR business partnering with the HR department is sustainable development and corporate social responsibility, on which other corporate processes and activities are dependent.
Individual elements in the scheme were determined with regard to the strategic values of the company Mondi Bupak, which are based on the values supporting sustainable and responsible cooperation with customers, partners, and employees in the organization. The aim is to increase the social value of communities by means of stakeholders using global framework, which enables addressing local priorities. There are also supported steps to promote greater transparency and functioning of the conditions that serve as a basis for creating reliable, inclusive and sustainable supply chain. The corporate policy aims at qualified and engaged employees; therefore, it strives to build a culture that would inspire, involve and develop all employees, thus achieving the development of their potential. The workforce of the company is based on the diversity of job positions.

The documentary analysis shows that Mondi Bupak carries out a number of activities focused on responsible growth. Specifically, this refers to the reduction of the impact of its activities on the environment, emission and waste reduction, promotion of responsible forestry and development of relationships based on cooperation, which is critical to future success and strengthening a zero-accident safety culture.

Based on the theoretical skills and observation method in the company, the author determined the competencies and skills each HR manager in business partnering and HR department would need. HR manager competencies and skills need to be applied to the specific interconnectedness of the processes in the company, as already determined by the author. The scheme of the competencies and skills created by the author is shown in Figure 2.
Corporate processes were determined by the author on the basis of the observation method. It applies to the processes which are key in the company according to the author. The key element is determined competencies and skills of a HR manager in business partnering. The company emphasizes good communication in the management of relationships with customers, suppliers and employees, with a focus on the business process. The company strives for processing the orders as fast as possible and for meeting the requirements of a given customer. This is closely related to ethical behaviour, which is embedded in the Code of Ethics of the company Mondi Bupak, emphasizing solidity, goodwill and ethical behaviour along with sustainable development and social responsibility. Human Resources, specifically HR management, is a key process in the company, which deals with recruitment and adaptation of employees, employee satisfaction, and regular training in order to prevent staff turnover. By means of a structured interview with the head of the HR department, the author found that even during the COVID-19 pandemic, staff turnover in the company remains minimal, as employee satisfaction is a good prevention of high staff turnover. Proficiency in the process of HR management is very important for an HR business partner; without it, it is not possible to understand and adapt to other processes in the company. HR business partner should have business thinking, which is important from the perspective of the international operations of the company together with timely order processing. HR business partner should also be able to identify, evaluate and solve primary problems. Both primary and secondary problems are linked to other departments, logistics most often, where effectiveness plays an important role. Effectiveness might ensure the correct production, proper storage of products, removal and transport of the products to customers.

An important part of corporate processes is cooperation, especially in terms of proper management and leadership, which helps motivate, stimulate and manage employees in all corporate departments. HR business partner must be able to plan and consult processes, starting from processing orders through coordinating production in terms of logistics to removal of finished products. Precision, transparency and the ability to process individual requirements related to contracts play an important role. Last but not least, the competencies of an HR business partner must be based on controlling, which includes proper communication of all departments.
To improve effectiveness and interconnectedness of processes, HR managers in business partnering should use chatbot, which is able to digitize them. Specifically, it is HR Mobile, which allows HR managers to approve various matters using smartphone. This trend helps develop corporate culture and share knowledge and skills both from the side of managers and employees. Another possible trend in HR is the app Leadership Journey, which is intended for the development of managerial competencies and E-skills. Digitization and robotization of HR paperwork plays an important role in current e-learning in cooperation with applicants. The current trend applied in human resources management is the method of 360-feedback, which is gaining in popularity. The method is based on the principle of collecting data on an employee or a team from one evaluator or assessors. Due to using various resources, it becomes very objective. The model of 360-feedback has a wide range of application. Most often, it is in the development of employee training and allocating bonuses. Data collection has a form of anonymous questionnaires, where the questions enable the identification of key areas for the development of individuals and the whole departments. According to the author, this method is the most effective one for improving the transfer of information between individual corporate processes ensured mostly by HR business partners.

5 Discussion

The processed results presented in the schemes enabled the specification and transparency of the interconnectedness of individual activities. The schemes include the competencies and skills of HR managers in Business partnering with a focus on key corporate processes. At the beginning of her research, the author formulated two research questions and one hypothesis.

The hypothesis was focused on social responsibility and sustainable development of Mondi Bupak, which enables the company to develop and participate in other activities within corporate processes and HR department. As seen in Table 1 and the scheme in Figure 1, the hypothesis was confirmed. In Table 1, the author defines sustainable approaches and practices with a focus on employee safety, qualification, engagement, responsibility, and generating values. The hypothesis can also be confirmed based on the scheme in Figure 1, which shows sustainable development and social responsibility participating in corporate processes and HR department.

The first research question deals with the skills and competencies HR managers need in business partnering and HR department of Mondi Bupak. These competencies are presented in the scheme in Figure 2. Based on the research methods and theoretical knowledge, it can be stated that HR managers must be able to manage relationships with customers, suppliers and employees; must act in line with the principles of ethical behaviour; must have professional knowledge and skills in the area of Human Resources; must be capable of business thinking; must be able to critically assess primary problems, think effectively, manage and lead people, consult processes and communicate correctly with all departments.

The second research question dealt with the interconnectedness of corporate processes and HR business partnering. This is also presented in Figure 2 along with the individual competencies and skills. Based on this method, key processes were determined, where the competencies and skills of HR business partners are applied. Specifically, this refers to processes such as business, customers, Human Resources, marketing, strategies, logistics, cooperation, planning, control.

The results also define innovative trends or practices in the process of human resources management, which may help improve effectiveness and transformation of individual corporate processes. Specifically, these include HR Mobile, application Leadership Journey, and 360-feedback. According to the author, the most effective one is the 360-feedback method, which is able to streamline and improve the transfer of information between corporate processes, which are a part of HR business partnering.

6 Conclusion

In general, the role of HR business partner assumes the knowledge of business, strategic thinking, managerial skills and language skills. However, HR business partner must have other competencies and skills, which are related to key corporate processes, as in the case of the company Mondi Bupak. One of the methods which turned out to be suitable for the identification of the HR business partner competencies and key processes was the method of observation. For the purposes of the paper, a structured interview with the head of the HR department was conducted, which enabled to outline the possible problems in human resources management. The results of the interview, together with the content analysis and documentary analysis enabled to determine sustainable approaches and practices and social responsibility of the company Mondi Bupak. Social responsibility is very important in the current globalized world, playing an important role in both internal and external corporate culture. Good corporate culture and employee satisfaction improves the quality and efficiency in performing the assigned tasks. This fact is intertwined in all corporate departments and processes within business partnering.

HR manager must be able to ensure quality communication between the management and employees, promote teamwork, involve all employees in business and have an overview on the interconnectedness of all key processes. HR business partner’s competencies and skills intervene in business and operation of the company. The dedicated role of HR Business Partner is currently a matter of course for many international companies. This is also due to innovative thinking an HR business partner acquires thanks to the overview of corporate processes. Nowadays, HR Business partnering is primarily
about mutual trust, support, and service among all employees in the organization. The process of human resources management is intended for all HR Business partners which lead their employees as well as workers who have a great influence in the key processes of a given company. HR business partnering sets the orientation and goals of a given organization in the area of corporate culture. Based on this fact, HR Business partner implements a suitable practice in the area of motivation and human capital management so that the corporate and personal goals of employees converge to the maximum extent possible.

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