6.3 The link between roles of human resource manager and firm performance; with reference to financial firms in Sri Lanka

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ABSTRACT

Human Resource Managers (HR Managers) play a vital role to increase the performance of organizations. Therefore this paper examined the relationship between roles of HR Manager (in terms of the categorization, done by Dave Ulrich) and firm performance in financial firms in Sri Lanka. In order to acquire a better view of this issue, financial performance, effectiveness, efficiency and development have been used as measures for various aspects of firm performance. Variables are neither manipulated nor controlled for the study. Hence, the study was conducted in a non contrived setting. As the data for this study was collected at a single point in time, the study was cross sectional in time horizon. As the Sample for this study, financial companies in Sri Lanka were selected. The unit of analysis was at the individual level. A questionnaire developed by the researchers was used to collect the data for the study. Correlation coefficient was used to identify the relationship between roles of HR manager and the firm performance. The research findings showed that roles of HR manager have a more significant influence on efficiency, effectiveness and development aspects, as opposed to financial performance. There is a high impact of Administrative expert as one role of HR Manager on efficiency. Being a strategic partner was influenced highly on effectiveness and development aspects of firm performance. Also, high orientation in all four roles did not lead to improved firm performance.

Keywords: Human resource managers’ role, firm performance, finance companies,