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**THE CHANGING ROLE OF THE HUMAN RESOURCE PROFESSION:  
THE TRANSFORMATION OF THE HR FUNCTION FROM AN  
ADMINISTRATIVE, TRANSACTIONAL ORIENTATION INTO A  
STRATEGIC BUSINESS PARTNERSHIP**

**A Dissertation On  
Strategic Human Resource Management**

**by**

**William Barry Sternberger  
July 2002**

**Submitted in Partial Fulfillment  
Of the Requirements for the Degree  
Doctor of Philosophy in Interdisciplinary Studies  
With a Concentration in Management: Human Resource Management & Labor Relations**

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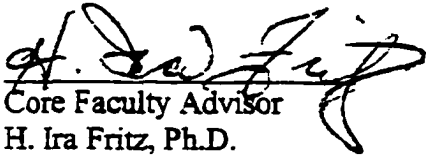
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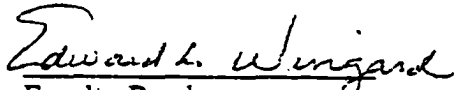
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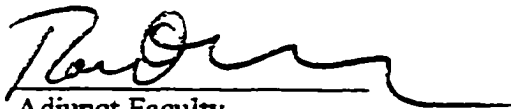
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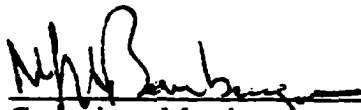
  
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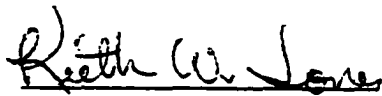
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## ABSTRACT

Utilizing a competency framework from the Society for Human Resource Management (SHRM), and the human resources body of knowledge from the Human Resources Certification Institute (HRCI), the HR Professional Competency Survey (HR-PCS) was developed to gather quantitative data regarding perceptions of importance among a sample population of senior-level human resource management professionals. The HR-PCS was distributed to 2,000 members of the Society for Human Resource Management, resulting in a sample size of 300 respondents. Findings from perceived importance ratings and proficiency levels were compared to detect gaps in specific competency areas required for effective organizational leadership and functional excellence. Analysis of the data confirmed the presence of gaps within 19 specific competency data sets, although 76 percent of respondents rated their personal proficiency above average. Additional findings from this study revealed ostensible inconsistencies between levels of practitioner competence and organizational or professional expectations of performance. All respondents exhibited competency gaps. The two competency categories that had the most gaps included "senior-level executive" and "HR strategist" competencies. A comparison of levels of work activity revealed that employee and labor relations was ranked highest by 135 respondents, followed by HR planning and reporting, compensation and benefits, training and development, legal compliance, and policy development. It was also found that use of technology (HRIS/HRMS) was a common area of weakness, with 35 percent of respondents indicating technology as their weakest area of expertise. Staffing and employment law had the lowest response to weakest area of expertise. On the whole, results of this study strongly indicate that to achieve alignment between HR and organizational goals in the development of a strategic partnership, human resource practitioners must: focus on continued realignment of HRM efforts;

**strengthen business relationships with managers and leaders within their organizations; position the HR function to meet identifiable and measurable organizational goals; effectively manage change; and commit to continuous improvement of specific professional competencies.**

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## CHAPTER 1

### THE PROBLEM

#### Introduction

In today's highly competitive and rapidly changing environment, human resource management (HRM) using a traditional past practice approach is of diminishing value for modern organizations simply due to the current speed, frequency, and magnitude of change. In light of these challenging conditions, U.S. corporations are giving renewed attention to the building and strengthening of business partnerships through the design of strategic human resource systems (Chiavenato, 2001). As part of the renewed emphasis on maximizing human capital, HR practitioners are becoming increasingly involved in the strategic planning process by focusing on improving the development of their individual business and professional competencies.

When evaluating an organization's overall business philosophy, it is important to give full consideration toward maximization of human resource management competencies at all levels. Unfortunately, too often HR professionals are uncertain of what their role should be due to a proliferation of top executives who demand nothing more from the HR function than the role it has traditionally played. To exacerbate the problem, senior management is often inclined not to attend to HR issues until they reach crisis proportion.

One reason there may be confusion about HR's fit into current strategic initiatives is that it is unclear who is championing strategic HRM as compared to other major initiatives. A common misconception is the belief that HR professionals do not possess a sufficient working knowledge of what business is all about or of the strategic goals of the organization they serve. In reality, human resources is a function broad in scope that has evolved as a strategically

legitimate organizational activity. In many companies HR reports to the CEO (chief executive officer), is represented as a full partner in the highest executive councils, and shares equal voice with other key organizational functions. In addition to being skilled in traditional business disciplines, the human resources professional must be knowledgeable in the psychology and sociology of human interaction, counseling, investigative techniques, employment and labor law, compensation and benefits, administration, the politics of organizations, and broad societal issues.

There may also be an historic view of HRM as an assumed part of the major strategic change initiatives, rather than as a critical standalone component of reform and reinvention. There is continued recognition that the human resource community needs to focus more squarely on establishing effective measures of strategic HRM. And, we need to routinely provide strategic HRM information such as results of workforce planning. These are critical means by which HR can get to and remain at the “strategic table.” Discussion of conceptual issues is, and will continue to be important. However, effectively putting strategic management of human resources into practice requires understandable and credible measurement, and the ability to provide useful routine strategic HRM information for organizational management analysis.

This study was conducted to investigate practitioner perceptions regarding senior-level HR competencies in order to reveal the presence of gaps between individual and organizational expectations with actual competency levels. Although initial responses indicated high levels of proficiency among participants, data revealed competency shortfalls when a comparative analysis was conducted, thus indicating a need for continued human resource competency development at the senior-level.

To fully understand how the HR function has evolved into a capacity for strategic business partnership capable of providing strategic importance to the organization, it would be useful to review the historical evolution of the function. The next section describes the history of human resource management as a profession.

### Historical Perspective

The evolution of human resource management, once called “personnel,” has coincided with the history of business in the United States (Miles & Snow, 1984). Personnel management as a specialized function began around 1900. The early personnel department was primarily clerical. Personnel hired the necessary workers for America's growing industries and was the record keeper for most employee matters. During the course of this century, however, the processes of managing people have slowly evolved into becoming a more formalized and specialized function. Developing a familiarity of the events contributing to the development of HRM can provide a perspective for understanding contemporary practices.

Incremental changes in the evolution of HRM continued throughout the century and has been characterized and captured in literature. Table 1 presents an overview of some of the more important events in the development of HRM, beginning in 1796 with the first authenticated strike in America, and continuing through 1995 (Sherman, Bohlander & Snell, 1996). By examining HRM in a historical context, the significance of environmental factors that drove the development of the profession, such as governmental regulation and socioeconomic factors, becomes increasingly apparent.

Table 1

Important Events in the Development of HRM

<u>Year</u>	<u>Event</u>
1796	Earliest authenticated strike in America; Philadelphia printers seek to gain minimum weekly wage of \$6.
1848	Passage of a law in Philadelphia setting a minimum wage for workers in commercial occupations.
1881	Beginning of Frederick Taylor's work in scientific management at the Midvale Steel Plant in Philadelphia.
1883	Establishment of the U.S. Civil Service Commission.
1886	Founding of the American Federation of Labor (AFL).
1912	Passage in Massachusetts of the first minimum wage law.
1913	Establishment of the U.S. Department of Labor.
1915	First course in personnel administration, offered at Dartmouth College.
1920	First text in personnel administration published by Ordway Tead & Henry Metcalf.
1924	Point method of job evaluation developed by the National Electric Manufacturers' Association.
1927	Hawthorne studies begun by Mayo, Roethlisberger, and Dickson.
1935	Establishment of the Congress of Industrial Organizations (CIO) by several unions previously affiliated with the AFL.
1939	Publication of the first edition of the <i>Dictionary of Occupational Titles</i> .
1941	Beginning of U.S. involvement in World War II, demanding the mobilization of individuals trained in personnel management and the rapid development of personnel programs in the military and in industry.
1948	American Society for Personnel Administration (ASPA) founded. Later renamed the Society for Human Resource Management (SHRM).
1955	Merger of the AFL and CIO.
1964	Civil Rights Act.
1967	Federal Women's Program established by the U.S. Civil Service Commission to enhance the employment and advancement of women.
1975	Beginning of a professional accreditation (now certification) program by the Personnel Accreditation Institute.
1976	Human Resource Certification Institute begins certification of Human Resource Professionals.
1978	Creation of the Civil Service Reform Act, which established the Office of Personnel Management (OPM), the Merit Systems Protection Board (MSPB), and the Federal Labor Relations Authority (FLRA).
1985	Increased emphasis on employee participation in organizational decision making to improve productivity and competitive position.
1991- 1995	Increased emphasis on global HR practices; greater use of temporary employees; observed emphasis on sexual harassment; heightened attention to greater diversity in the workforce; increased emphasis on total quality management; and downsizing or "rightsizing" of organizations.
1990s	Use of competency models to guide HR program design.

Source: Sherman, Bohlander & Snell, 1996.

HR specialists generally agree that experiments in the 1920s, such as the Hawthorne studies that were conducted to determine what effect hours of work, periods of rest, and lighting have upon worker fatigue and productivity (Burt, 1942), played a very important role in the early development of HRM. These studies spurred efforts to humanize the workplace, giving rise to the human relations movement. This movement focused attention on the necessity for managers to improve their communications and to be more sensitive to the needs and feelings of their subordinates as a means to motivate the workforce. As the human relations movement evolved, it became broader in scope and included a greater understanding of human behavior. These movements were consistent with the further development of interpersonal competence and the achievement of organizational objectives through the management of change (Rush, 1969).

It was not until the 1940s that the typical personnel department included individuals with specific training and experience in carrying out various specialized functions (Adair, 1984). In the early years, companies designated welfare secretaries whose job was to keep track of employees' welfare. Over the passage of time, the welfare secretaries' job encompassed more and more duties. As laws were passed that restricted the rights of employers and employees, welfare secretaries were required to stay informed. As new tasks were delegated, offshoots began to form with concentrations in payroll, hiring and training of workers, labor contract administration, and union negotiation. Personnel departments exhibited characteristics of three important functions that have continued to present day: advisory, service, and control.

In the 1960s and 1970s, pressure outside the corporation gave the personnel department a chance to become part of the management team. Some of these pressures came from government regulations, while others came from various interest groups. Women, recognizing that they lacked equal opportunity, became increasingly active. Minorities organized and applied

political and economic pressure to organizations. Stockholders and customers began to emphasize social responsibility. By the mid-1970s, organizations were scrambling to respond to outside pressures, regulations, and reporting requirements. The personnel department became responsible for dealing with interest groups pressing for affirmative action, equal opportunity, safety, and social responsibility. Senior management turned to the personnel administrator to squelch impending regulatory issues, while management tended the business.

With the creation of the Human Resource Certification Institute (HRCI) in 1975, a national certification program for HR professionals was established. This was a significant milestone in the development of HR's credibility (Sunoo & Laabs, 1999). In 1976, the HRCI began awarding two certification designations, Professional in Human Resources (PHR) and the Senior Professional in Human Resources (SPHR), representative of professional achievement and mastery of the HR body of knowledge. With the establishment of an accepted criteria, HRM was finally recognized by the United States Department of Labor as a bona-fide profession, distinguished from other occupations. Since February 1976, more than 53,000 HR professionals have been certified.

Instrumental in providing continued support of the profession, the Society for Human Resource Management, founded in 1948 as the American Society for Personnel Administration (ASPA), has continued efforts toward the development and recognition of HR with over 165,000 members worldwide. Having established credibility for the profession, SHRM has directed attention to the changing role of the HR profession by encouraging the development of strategic business partnerships between HR and the organization, as well as the continued development of professional competencies. Table 2 is representative of the evolving role of HR and the new responsibilities that contribute more directly to the organization's bottom line (Rothwell, 1998).



Table 2

Evolution of HR Management

<u>Time Period</u>	<u>HR Focus</u>	<u>HR Activity</u>
Before 1890	<ul style="list-style-type: none"> <li>• Industrial technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Disciplinary systems</li> </ul>
1900-1910	<ul style="list-style-type: none"> <li>• Employee well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Health &amp; safety programs</li> </ul>
1920s	<ul style="list-style-type: none"> <li>• Task design, efficiency, and impact of workgroups on individual workers</li> </ul>	<ul style="list-style-type: none"> <li>• Time and motion studies</li> <li>• Employee counseling and testing</li> </ul>
1930s	<ul style="list-style-type: none"> <li>• Union of workforce</li> <li>• Passage of major labor laws</li> </ul>	<ul style="list-style-type: none"> <li>• Communication programs</li> <li>• Anti-union campaigns</li> <li>• Personnel becomes staff support to operational line unit functions</li> </ul>
1940s	<ul style="list-style-type: none"> <li>• Employee benefits and compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Wage increases</li> <li>• Cost-of-living adjustments</li> <li>• Pension, health , and benefit plans</li> </ul>
1950s	<ul style="list-style-type: none"> <li>• Employee relations</li> <li>• Specialized personnel functions</li> </ul>	<ul style="list-style-type: none"> <li>• Training and development</li> <li>• Separate divisions within personnel established: recruitment, training, labor relations, benefits, etc.</li> </ul>
1960s	<ul style="list-style-type: none"> <li>• Employee participation</li> </ul>	<ul style="list-style-type: none"> <li>• Employee involvement</li> <li>• Management by objectives; quality circles; sensitivity training</li> </ul>
1970s	<ul style="list-style-type: none"> <li>• Government intervention</li> </ul>	<ul style="list-style-type: none"> <li>• Employee rights now regulated in areas of discrimination, equal opportunity, safety and health, and various benefit reforms</li> </ul>
1980s	<ul style="list-style-type: none"> <li>• Employee recognition</li> <li>• Displacement</li> </ul>	<ul style="list-style-type: none"> <li>• Expansion and enrichment of employee knowledge, skills, and abilities through</li> <li>• Job rotation</li> <li>• Formation of integrated task teams</li> <li>• Outplacement</li> </ul>
1990s	<ul style="list-style-type: none"> <li>• Changing demographics of the workforce</li> <li>• Technology</li> </ul>	<ul style="list-style-type: none"> <li>• Diversity programs</li> <li>• Employee rights issues</li> <li>• Global perspective</li> <li>• Information technology</li> </ul>
2000s	<ul style="list-style-type: none"> <li>• Strategic HR planning</li> </ul>	<ul style="list-style-type: none"> <li>• Transition from services and support to consultative and leadership role</li> </ul>

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Source: Rothwell, Prescott & Taylor, 1998

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### Statement of the Problem

Human resources management, as a profession, continues to fall short of becoming a strategic business partner. Business texts on leadership and management are replete with examples of how organizations fall short in the area of aligning employees with the company's overall mission. Rather than viewing the changing landscape of HR as an opportunity to play a more central role in the organization, some HR professionals mistakenly assume their current roles are relatively secure since traditional activities, such as employee programs and compliance, remain relatively high in importance (Palguta, 2000). Other practitioners deny the magnitude of emerging changes or succumb to a sense of fear about their future and the viability of human resources as a function. Organizations often ask their HR professionals "to become leaders and partners in running the business, but these HR professionals are often asked to implement initiatives and programs for which they have no formal authority and with which they do not agree" (Seitchik, 1997, p. 42). Clearly, HR professionals will not only need to fulfill their traditional roles, but assume critical new roles that focus on adding value to operational excellence. This new and expanded mandate cannot be performed based on the old assumptions, structures, and roles in most human resource organizations. The traditional technical specialties have grown in complexity, while the knowledge and competencies required for new human resource technologies have outpaced the ability or opportunity of most practitioners to learn them. The American Society for Training & Development's State-of-the-Industry Report (McMurner, Van Buren, and Woodwell, 2000) confirms that significant shifts in emphasis are taking place.

The next few years will present a critical period for the human resources community as roles and responsibilities in organizations are re-evaluated. So far, however, human resources as

a whole is significantly behind the change curve. Many experts contend that HR lacks necessary business know-how (Katz, 2000). Meanwhile, managers and executives in many organizations continue to view HR as just a transaction-based, procedurally bound administrative process and completely miss the fact that HRM encompasses the judgments and decisions they make every day in managing the people who do the work of the organization. The key question facing HR executives and senior practitioners today is how to leverage existing competency practices to greatly increase the impact of human capital development on business results.

In today's business environment organizations need to manage the human as well as the financial implications of their business strategies. Today, HRM is much more integrated into both the management and the strategic planning process of the organization (Anthony & Norton, 1991). Companies that have the best results in productivity, customer service, and profitability have used their human resource departments as strategic partners to achieve this balance (Rothwell, Prescott & Taylor, 1998). Extensive research and practical experience have revealed positive results when organizations position HR as a strategic player. Assessing the capability of an organization and its human resource professionals is an important step toward escalating HR to the role of business partner. If efforts to transform human resource departments are done well, human resource professionals can attain more strategic importance as organizational partners who leverage human capital and expert knowledge for competitive advantage. Human resource practitioners must meet the challenge or they will only play a limited, supportive role in the organizations of the future.

### Assumptions Underlying the Study

Several assumptions underlie this study. First, the researcher assumes that the participants investigated are a representative sample of senior-level HR professionals. Second, it is assumed that the self-reported demography (gender, job title, industry, and organizational size) is sufficiently free of error.

Additional assumptions that are representative of this study include assumptions about organizations, professional competencies, and work-performance:

- **Managing human resources strategically improves the bottom line.**
- **What matters in the long-term is the creation of a "learning organization."**
- **Major improvements in organizational efficiencies is attainable when proper conditions are present. Revolutionary change is possible with senior management support.**
- **Training and development are ultimately tied to bottom line performance. The release of human potential by management represents the ultimate untapped organizational resource.**
- **Traditional transactional HR work can be delivered in significantly new strategic ways.**
- **Human resource specialty work is growing more complex and requires the application of new strategies, technologies, skills, and competencies.**
- **There is an increased and genuine interest in the development and understanding of professional competencies.**
- **HR competencies can be defined in large domains that HR practitioners can tailor to clarify the performance requirements of their own specific work settings.**
- **Human resource professionals need more skills in organization development, organization effectiveness, change management, and business partnership development.**

## Research Questions

The objective of this research project was to investigate the importance of human resource competencies from a strategic HR perspective, and to identify gaps in current levels of HR proficiency. This study, in keeping with the stated purpose, addresses four significant questions as follows:

Research Question 1. What are the current perceptions of senior-level HR practitioners regarding the level of importance of professional competencies? The five general HR competency categories include: *Character Attributes; Leadership & Influence; Management/Functional Skills; Level Specific — Senior-Level Executive; and, Role Specific—HR Strategist.*

Research Question 2. Are there identifiable gaps between HR practitioner personal competency levels and corresponding levels of perceived importance in relation to their organization and the HR profession as a whole?

Research Question 3. Do senior-level HR practitioners (managers, directors, vice presidents, and specialists), share a consensus of opinion regarding perceptions of the importance of specific competencies in relation to their organization and the HR profession as a whole?

Research Question 4. What are the current perceptions of senior-level HR practitioners regarding the importance of competencies as an influence on personal success and success in the HR profession as a whole? The HR competency categories include: *Change Management; Strategic Planning; Organizational Leadership; Business Knowledge; Legal Compliance; Human Resource Information Systems (HRIS); and Process/Procedure Redesign.*

The findings related to the stated research questions are discussed in terms of specific conclusions, recommendations, and an expressed need for further research in Chapter 5.

### Significance of the Study

Turning to the present, numerous books and articles have been published to clearly document the changing nature of the employment relationship and the competencies required of HR professionals to be successful in the new HR environment (Ulrich, 1997; Ulrich, Losey, & Lake, 1998). Recent surveys provide confirming evidence to support these views (Conference Board, 1990; Csoka, 1995; Mohrman, Lawler, & McMahon, 1996; SHRM Foundation, 2000). As a result of these books and surveys, the HR profession is now aware of the new demands being placed on HR professionals and the competencies required to be successful in the new environment.

As the HR practitioner's role continues to evolve, top leadership is further recognizing the value of HR in facilitating organizational change (Brewer, 2000). According to research sponsored by the American Compensation Association, and conducted by the Hay Group, Hewitt Associates, Towers Perrin and William Mercer, "competencies are increasingly what makes the HR world go round" ("Competencies drive HR practices," 1996, p. 15). The study examined competency practices at 217 companies and found that they are being used to guide staffing, training and development, performance management, and compensation practices.

In a 2001 study that examined 173 Fortune 500 companies, it was found that corporations engaging in HR strategic planning performed better than those that did not (Ogunrinde, 2001). The ability to manage people and departments to gain competitive advantage is strongly related to HRM. HR is seen as playing a crucial part in the creation of organizational capabilities, providing the foundation for core competencies which enable firms to gain and sustain competitive advantage. The benefits of building a strategic business partnership are summarized in Table 3.

Table 3.

**Benefits of a Strategic Partnership Between HR and the Business**

Benefits to the Organization	Benefits to the HR Professional
<ul style="list-style-type: none"> <li>• Maximizes the talents of an increasingly diverse workforce.</li> <li>• Ensures transfer of an organization's core competencies worldwide.</li> <li>• Lends a long-term focus to the day-to-day operations of the organization</li> <li>• Can create a shared mind-set/culture among employees</li> <li>• Avoids the surprises that certain human implications of business strategies can bring.</li> <li>• Ensures legal compliance.</li> <li>• Improves employee morale and retention.</li> </ul>	<ul style="list-style-type: none"> <li>• Personalizes the HR role; HR becomes:               <ul style="list-style-type: none"> <li>• A value-added contributor.</li> <li>• A performance consultant.</li> <li>• A problem solver.</li> <li>• A business partner, not a messenger.</li> </ul> </li> <li>• Provides HR with direction for its efforts; HR does not work in a vacuum.</li> <li>• Provides HR with support/funding for its programs.</li> <li>• Provides some job security for HR professionals.</li> <li>• Allows HR to deal with "happy customers."</li> </ul>

Source: The 1999 Annual: Volume 2, Consulting / Jossey-Bass Pfeiffer

**Definitions and Operational Terms**

Various terms and concepts will be used within the scope of this study and need to be defined.

**Competencies** – refers to professional characteristics that typify exemplary performance

(McLagan, 1989). Competencies can be analytical, technical, leadership, business, interpersonal, or technological in nature (Rothwell, 1998). They provide specific criteria for aligning personal behavior with organizational strategy and for generating tools that individuals can use for self-directed learning.

**Competency Category** – refers to one or more of six categories of competencies identified in the human resource competency framework compiled by the Society for Human Resource Management. These include: *Personal Attributes; Leadership; Management; Functional; Senior-Level Executive; and, HR Strategist.*

**Functional Skills** – refers to those observable manifestations of technical knowledge and skills required in all human resource roles.

**Human Capital** – the knowledge, skills, abilities (KSAs) staff possess that enable them to function effectively within the scope of their employment.

**Human Resources (HR)** – HR has multiple meanings dependent upon the context of the discussion: 1) HR may refer to how a firm manages its human resources practices; 2) HR may refer to the function or department; and 3) HR may refer to human resource professionals.

**Human Resource Management (HRM)** – refers to the overall management of the HR function and to the HR professionals who work within the department. According to the U.S. Department of Labor (Occupational Outlook, 2002), human resources, training, and labor relations managers and specialists held about 709,000 jobs in 2000. The private sector accounted for 89 percent of salaried jobs, while Federal, State, and local governments employed 11 percent of human resources managers and specialists. About 21,000 specialists were self-employed and working as consultants.

**Leadership Competencies** – the success characteristics required by HR professionals to focus on future needs and opportunities, produce strategic competitive advantage, alignment, and change.

**Management Competencies** – the key success characteristics required by HR professionals to facilitate the planning, organizing, and controlling of work.



**Personal Attributes** – refers to those success characteristics that are most closely related to a person's basic work motives, personal traits, and temperament.

**Skill** – job-based activities such as using a word-processing program or operating a forklift.

**Society for Human Resource Management (SHRM)** – Founded in 1948 as the American Society for Personnel Administration. Based in Alexandria, VA, SHRM has grown to a total of over 160,000 members in almost every country on the globe.

**Strategic Human Resource Management** – focus on aligning HR strategies and practices with business strategy, and translating business strategies into HR priorities.

**Workforce Training and Development** – those activities designed to improve the competencies and skills of current or new employees of business, industry, labor, and government.

### **Summary**

The HR function is playing an increasingly important role in today's highly complex organizations. The demands that are being placed on the HR function are undergoing change, with increased emphasis on the strategic management of human capital. It is becoming increasingly evident that even more will be asked of HR in the future. This requires the identification of key competencies needed by HR professionals with a specific focus on those competencies most important in enhancing individual and organizational success. This research attempted to identify the importance and priority of required competencies as perceived by senior human resource practitioners – leaders of the HR function. Examination of these perceptions and resulting impacts on organizational knowledge and performance will provide a deeper understanding of the role of HR today and in the future.

## CHAPTER 2

### REVIEW OF THE LITERATURE

#### Introduction

Both computer-based and manual searches of published research and reviews focusing on strategic human resource management and HR competencies were conducted. The review of literature relevant to this study resides in the conceptual foundation of existing work related to competencies required to effectively lead the human resource (HR) function. The following sections of this chapter will discuss the related literature.

#### Conceptual Foundation / Theory

The conceptual foundation for this empirical study was centered on the subject of competencies. The Human Resource Professional Competencies Survey (HR-PCS) was based on the HR Competency Framework developed by the SHRM Foundation in 1999 (Appendix D), and the work of respected scholars in the field of HRM (Ulrich, 1997; Yeung, Woolcock & Sullivan, 1996; Ulrich, Brockbank, Yeung & Lake, 1995). Overall, competencies should be aligned with business objectives, through value-added services, to facilitate organizational success. This alignment takes into consideration the internal and external environment within which the worker or organization exists. Since the mid-1980s, multiple studies and writings pointed out the need for the HR function to play a greater role in fostering organizational success. An analysis of these writings will identify the rationale for the survey questioning used in the development of the HR-PCS instrument.

Burack (1985) pointed out the growing recognition that human resource management was critical to the fulfillment of organizational objectives. The study conducted by Burack, involving

53 organizations in the U.S. and Canada, showed that the integration of long-range strategic business planning and human resource planning only occurred at low levels of sophistication. While recognized as a vital contributor to organizational success, HR was not participating to any value in the strategic planning process.

Marvis (1985) focused on the need for HR managers to help their respective organizations deal with survival and renewal challenges by implementing sound long-range HRM strategies. Mentioned in this article were the need for the development of HR strategies dealing with business issues, such as increasing automation and productivity improvement. Change in the business environment during this period occurred at a rapid rate. Ulrich (1985) also discussed evidence that HR could help organizations respond to the pressures of change. He pointed out that the development of people skills to deal with aspects of innovation and new products would be of utmost importance. From this viewpoint, the importance of developing business knowledge was essential for HR professionals.

Many writings have also called for the HR function to assume a more strategic role in serving their organizations. In Schuler (1984), the capacity for gaining and retaining a competitive advantage was shown to be critical to the growth and prosperity of an organization. Although corporations pursued many approaches to achieving this goal, one that was frequently ignored was capitalizing on superior HRM practices. Many firms recognized the growing importance of their human resources, but few were conceptualizing them in strategic terms, that is, in ways to gain a competitive advantage. The result was that many companies missed the opportunity to seize competitive advantage through human resource practice initiatives. In fact, according to Allen (1985), concentration on human resource efforts could benefit the overall business, but such efforts needed to be relevant to corporate objectives.

Golden (1985), from a focused study, showed the integration of human resource management and strategic business planning that was increasingly becoming acknowledged as important for effective strategy implementation. Trends in HRM and strategic business planning integration were assessed based on interviews with human resource executives from a sample of ten Cleveland, Ohio firms. The integration of HRM and strategic business planning was found to follow a four-phase process. This process ranged from a strictly traditional linkage in which the HRM function was perceived to be primarily administrative, toward an increasing recognition of the importance of human resources to business success and the critical role of HRM to effective strategy implementation. A number of organization-specific factors were found to affect HRM and strategic business planning integration such as labor intensity, stressfulness of business conditions, strategic orientation, and senior management's perceptions of the HRM role. It became widely accepted that human resource management faced a growing need to develop a comprehensive set of professional competencies in these areas.

Schrager (1985), identified that human resource planning was seldom integrated with other planning processes. In Angle (1985), the challenge was presented that HRM must establish a new and improved partnership between the HR function and other line managers. However, this strategy must focus on what is best for the corporation as a whole rather than what is best for HR alone. The development of aspects dealing with strategic planning and internal consulting skills became increasingly important.

### Competencies of the HR Function

Buller (1990), investigated the linkages between strategy and human resource practices. The objective of the study was to “document the HR practices that are associated with different competitive strategies in a professional service context (law firms)” (p. 27). A survey instrument was developed and then pilot tested using a sample of 35 firms from a city not included in the study. Several modifications were then made, and surveys were then mailed to the managing partners at each firm. A follow-up survey was mailed to all non-responding firms one month after the first mailing. “Respondents were asked to identify their firm’s primary competitive strategy from a list of written strategy descriptions” (p. 29). HR practices were assessed in four major areas: selection, performance appraisal, compensation, and training and development. Factor analysis was then performed. “Managing partners from a sample of 1,000 law firms in 11 major U.S. cities were surveyed” (p. 29). The survey response rate introduces a potential bias in the results. Because it could not systematically compare respondents to non-respondents, it was impossible to determine the precise nature and extent of any bias. The construct validity of the measures used in the study were open to question, despite the fact that items were constructed to have high face validity and the fact that factor analysis procedures enabled the researchers to develop variables with acceptable reliability. Moreover, this study did not relate the use of human resource practices to firm performance. “Overall, 32 percent of the 184 firms reported using a formal strategic planning process. A review showed 41 firms (67.2 percent) had a differentiation strategy, 16 firms (26.2 percent) had a focus strategy, and only 4 firms (6.6 percent) had a cost leadership strategy” (p. 31). This study called for future research in the study of the performance consequences of strategic linkages to HR practices. An important outcome

from this study was the realization of a need to design and implement effective HR plans that could be linked with the business strategy.

The Towers Perrin-IBM study (1992) conducted in twelve countries with 2,961 individuals – line executives, HR executives, faculty, and consultants – provided valuable information on the new and potentially stronger role of HRM in work organizations. Looking to the year 2000, both line and HR executives agreed that a proactive and strategically oriented HR function would be critical. Almost all respondents saw the need for dramatic changes from centralized and functionally organized HR units to more flexible and decentralized units. This would necessitate more supervisory involvement in HR activities. In the Towers Perrin study the respondents were asked about various attributes of the HR role through a series of six paired alternative choices concerning: operational vs. strategic matters; change; placement of HR responsibilities; employee vs. team focus; internal vs. social issues focus; and representation viewpoints. The response clearly showed that the current HR roles were not what they should be in the year 2000. What the findings ultimately showed was a new role model for the HR department and its functions. The study found that both line and HR executives supported the concept of shared responsibilities between line managers and HR managers and that the single greatest attribute of the HR staff would be the ability to educate and influence line managers on HR issues (Sherman, Bolander & Snell. 1996).

Gilley and Coffern (1994) pointed out that the “internal consultant” redefines the role of traditional HRD professionals. But the term is so generic that many HRD professionals don’t know what their new responsibilities are as internal consultants – let alone how to implement them. First the authors addressed how the internal consultant could perform the four traditional functions (analysis, design, implementation, and evaluation) better in order to identify and

correct common performance, management, and organizational gaps that undermine effectiveness. Perhaps the most important discussion was of the additional responsibilities that many HRD professionals have assumed in order to facilitate overall organizational effectiveness – strategic planning, marketing, project management, and problem solving. Finally, the authors showed how all these functions could be tied together in a “six-step problem-solving process that provides clients with the support they need to solve their performance and productivity problems” (p. 69). Internal consultants add value because they are able to help the client sort out problem “symptoms” from problem “causes,” offer unique ways of solving those problems, and give the client more than expected (Minton-Eversole, 1994).

Another focus on internal consulting skills was presented by Hiebert (1995). In this article, Hiebert presented a model for managing staff specialists working as consultants inside their organization. Hiebert’s model proposed six steps for a typical consulting project: “define the business need and establish a working partnership with an internal client; clarify expectations and contracts; synthesize information; sell your recommendations; lead change; and taking stock or closing” (p. 17). Professionals should not only be experts in their area of expertise, they must also be experts at delivering that expertise as internal consultants. To change from technical expert to business partner, professionals must start thinking and acting as internal consultants.

From these articles, internal consulting skills were shown to be important to HR professionals. The effective use of such skills would demonstrate management and leadership competency of HR professionals. Focusing on HR roles, Yeung (1994) examined how HR functions were being transformed. In-depth interviews with more than 50 senior executives in ten major corporations – American Express, ALCOA, Baxter International, British Telecom, Hewlett-Packard, IBM, Intel, Johnson & Johnson, Levi Strauss & Co., and McKesson were

conducted. “To be effective, HR professionals must develop competencies in four domains – business mastery, HR mastery, change mastery, and personal attributes – in order to deliver high value-added services effectively” (p. 1).

First it was shown that business mastery enables HR professionals to join the management team. To be able to ask appropriate questions and to contribute to business decisions, HR professionals must have general knowledge of finance, external customer needs and requirements, competitors, information technology, and other business processes. Second, HR mastery ensures that HR professionals design and deliver HR practices that are aligned with each other and closely linked to business objectives. Third, change and process mastery means HR professionals know how to manage change. To serve as a change agent, HR professionals need to develop competencies in interpersonal skills and influence management, problem solving skills, and creativity. Last but not least, HR professionals require personal credibility. Beyond technical skills in business, HR and change, effective HR professionals must have credibility in the eyes of their customers. (Yeung, 1994, p. 15).

In Ulrich, Brockbank, Yeung, and Lake (1995), human resource competencies were assessed. This comprehensive competency study began in 1988. With data from 12,689 associates of HR professionals in 109 firms, this research represented an extensive assessment of HR competencies. It extended current HR theory and practice in two ways. First, it proposed specific competencies that HR professionals may demonstrate to add value to a business. Second, it offered an empirical assessment of how these competencies affected the performance of HR professionals as perceived by their associates. “The results indicated that when HR professionals demonstrated competencies in business knowledge, delivery of HR, and



management of change, then HR professionals were perceived by their associates as more effective” (p. 474). The overall research objective of this study was to discover what the most critical competencies for HR professionals are. The data were collected by asking associates of HR professionals to rate their perceptions of the HR professionals’ competencies in each of three domains: knowledge of business, HR functional expertise, and managing change. “The results of this study showed the critical HR competencies to be 18.8 percent knowledge of business, 23.3 percent functional HR expertise, and 41.2 percent management of change” (p. 491).

Another comprehensive research study on the changing role of HR was found in Eichenger (1995). The study was commissioned by the Human Resource Planning Society to look into the future roles of HR, and included both North American and European thought leaders. The group included prominent authors, academics, executives, and members of public forums where HR issues were discussed. Twenty-five U.S. responses and 15 European responses were reviewed. Results of the study revealed that HR professionals must move away from an activity-oriented focus to one that delivers value through aligning HR services with organizational needs. Specifically, “results showed the seven most essential skills top HR executives needed currently to be: (1) business savvy/acumen, (2) leading organizational change, (3) knowledge of basic HR technologies, (4) global strategic thinking, (5) change management, (6) problem-solving, and (7) financial. The skills needed in the future include: (1) global operations, (2) business and financial savvy, (3) problem-solving, (4) information technology, (5) HR technology, (6) change management, and (7) organization effectiveness” (Eichenger, 1995, p. 14). This list was presented in rank order of priority.

Martell (1995), presented further findings on the strategic nature of HRM. This study of 115 subsidiaries of Fortune 500 companies indicated that a majority had integrated HRM and

strategic planning systems within their organizations. HRM issues were explicitly discussed in strategic plans. HRM executives were involved in the planning process as “strategic partners” and HRM was generally recognized as playing an important role in implementing business strategies (p. 253). The term, strategic human resource management (SHRM), has emerged and is frequently used to refer to this new approach to HRM. This study explored how strategic the HRM function had become in actual practice in U.S. corporations. Working from a database that included data on HRM practices in 89 Fortune 500 companies, this study attempted to answer the question: “How strategic is HRM?” (Martell, 1995, p. 253). Most of the SHRM measures focused on the issue of the degree of integration between HRM and strategic planning processes. Respondents were asked whether HRM data or personnel were incorporated in different stages of the planning process. General Managers were also asked to characterize the role of HRM executives within the strategic business unit (SBU) generally and in strategy formulation specifically, and the role of both the firm’s human resources (employees) and the HRM function in implementing SBU strategy. Data were also gathered on the role of the general managers in HRM policy-making involving executives. Finally, data were gathered on diverse organizational performance. The following conclusions were drawn from analysis of the data collected in this survey.

HRM and strategic planning processes were linked in most companies surveyed. The HR function is important in implementing business strategy, but not as important as other functions that directly contribute to the development, production, or sale of the product. Despite a relatively modest view of the importance of the role of the HR function, HR executives were considered valuable members of the top management team. Line managers play a role in HRM policy-making, particularly those policies that involve

senior managers. The integration of HRM and strategy processes is not associated with improved short-term organizational performance. (Martell, 1995, p. 253-267)

This study of strategic business units of Fortune 500 companies indicated that HR has taken on strategic properties in many large U.S. companies. There were several implications of these findings. First, HR executives in firms which have not accepted SHRM can point to these findings in promoting to senior management the desirability of making better use of HR executives in the strategic planning process. Second, senior HR executives must now possess the skills and knowledge necessary to perform the new strategic partner role. In order to transform themselves into strategic partners, HR managers would need to reevaluate their priorities. Just as HR executives were now participating in more general management decisions, general managers were also involved in HRM decisions. This trend offers a new opportunity for partnership between HR professionals and line managers.

In McMahan (1996), a study examined the HR function in 130 large companies to see whether changes in the business environment and strategy of the corporation were leading to changes in the HR function. The underlying hypothesis was that as corporations adopt new strategies and redesign themselves to deal with the competitive pressures they were feeling, their HR organizations were redesigning themselves to support the changing business. The HR function appeared to be at the very beginning of determining the best way to configure the skills and roles to meet the needs of the business in a cost-efficient manner. Of particular interest to this research was whether the design of the human resources function was changing.

Of the total HR staff in the responding organizations, 57 percent were characterized as professional/managerial. During the same period, the percent of HR professionals who were generalists had increased to 46 percent. In 71 percent of the cases, the top human resource

executive had come up through the human resource function. In the other 29 percent of cases, this executive had come from functions such as operations, sales and marketing, and legal. Thus, a relatively substantial number of firms were placing leaders over the human resources function who were not “traditional” human resource executives (McMahan, 1996, p. 7).

There had also been a shift in HR roles away from auditing and record keeping, toward more of a business partnership with change management support. The functional human resource roles had not declined in importance, although there was evidence that the HR functional responsibility was shifting to developing programs that fit business needs and away from administering programs. Data showed that less time was being spent in the relatively low value-added activity of record keeping. Respondents felt that the HR organization did the best job of providing human resources services and tailoring practices to fit business needs, and the worst job of providing change consulting services and developing the organization’s skills and capabilities. HR information systems, benefits, and employee training and education were most likely to be completely outsourced. The HR function appeared to be at the very beginning of determining the best way to configure the skills and roles to meet the needs of the business in a cost-efficient manner.

This study pointed out that a good guess at the future of HR was that change had just begun and that the next decade would see dramatic change in the HR function in most corporations. The competitive advantage of an organization’s human resources should rest in the creative ways that HR can orchestrate in the delivery of value-added services.

The sample for the study consisted of 471 large and medium-sized service and industrial firms. The firms were members of the Human Resource Planning Society (HRPS) and/or members of the Center for Effective Organizations at the University of Southern

California. Surveys were mailed to members of these organizations who were in director level or above positions with corporate-wide visibility to the HR function. (McMahan, 1996, p. 13)

Conner (1996), worked from HR role studies conducted by Dave Ulrich in a company specific research study. Conner's article was based on a research study conducted with 256 middle to upper-level human resource executives from mid-to large-size companies. The report was an empirical assessment of the multiple roles that HR professionals play and implications were suggested for the development of the HR profession. To test the extent to which HR roles could be defined and measured, a 70 item questionnaire was created through a review of the literature on the HR role and function. These items were developed around the four key roles outlined by Ulrich (1995) – that is, strategic partner, change agent, employee champion, and administrative expert. The pool of 70 items was concisely assembled as a research instrument, and responses from the sample of 35 HR practitioner respondents were evaluated. These HR practitioners represented mid-level generalists from a variety of operating units in AT&T. After analyzing the data from the pilot study, a survey instrument containing 40 items was developed to measure the four distinct HR roles. Each of the four roles had ten items. Participants were asked to refer to the HR professionals in their business entity and to rate the current quality of each activity using a five-point Likert-type scale. On the scale, "1" represented low and "5" represented high. The sample used to test these four roles came from workshops on HR strategy conducted around the world. In general, this sample represented mid-to-upper level executives from mid- to large-size companies. A total of 256 instruments were returned. Data from the study were subjected to factor analysis in order to investigate the number and kinds of factors that could be determined. Simple statistics and Pearson Product-Moment correlation were also

calculated with respect to each of the four roles. Upon evaluation, the scores were found to be higher for the employee champion and administrative expert roles, and lower for the strategic partner and change agent roles. The lowest score was the strategic partner role. The standard deviation scores reflected more homogeneity in the employee champion and administrative expert roles and more variance in the strategic partner and change agent roles. The only significant relationship worth noting was the one between the strategic partner and change agent. The Pearson correlation coefficient between these two variables was .75. This data confirmed the existence of three of the four roles outlined by Ulrich in his HR role framework. The data did not discriminate, however, between the strategic partner and change agent role. "Using the HR survey can help identify areas where a person is strong or needs development with respect to each role. Another use of the survey is to compare responses from line managers and HR practitioners. Clearly, the need for the HR professional to become more of a strategic partner while maintaining an administrative expert role was substantial" (Conner, 1996, p. 38-49).

In a similar organizational study, competencies rather than roles were the focus. Blancero (1996) found that as human resource organizations transform themselves, staff competency requirements alter significantly. The study attempted to identify how competency requirements changed within a single firm and employed a unique future-oriented, forward-focused methodology. The results suggested a competency model with three parts: "a relatively small number of core competencies, an even smaller number of leverage competencies applicable to half or more (but not all) of the roles, and a much larger number of competencies that are role-specific" (p. 383). The study was conducted in three phases. Phase I generated a clarified vision of Eastman Kodak's (EK) future HR organization as well as an extensive list of HR competencies and related materials needed for subsequent phases. In Phase II, the nature of

future HR work was examined and codified. Phase III consisted of consolidating the information gathered earlier and completing and analyzing competency ratings. To provide rigor, relevance, and acceptance, over 60 EK managers and professionals were involved in the study. Participants came from line management and HR positions from all three of the company's major business groups. Critical or key competencies were defined as those rated most important across and within HRD roles. Eleven competencies were identified as core because they were rated as among the most essential across all roles. Those identified were "ethics; communications; listening; relationship-building; teamwork; standards of quality; judgment; results orientation; initiative; self-confidence; enthusiasm; and commitment" (p. 390). Six leverage competencies emerged as among the most important for some of the HRD roles. These six competencies were "influence, utilization of resources, customer awareness, creativity, questioning, and organizational astuteness" (p. 390). Limited findings were also reported on role specific competencies. These results suggest a company model with three components: core, leverage, and role-specific competencies.

The year 1996 gave way to an abundance of studies and articles related to competency in the HR arena. According to McLagan (1996), "competencies can be classified as either knowledge, skills, attitudes, or intellectual strategies. They can be the key ingredients in strategic, operational, interpersonal, and technical tasks and decisions" (p. 60). The intent of a competency definition is to provide enough details about the competency so that someone using the model can recognize the competency in action, can probe for it, can recommend development actions, and can notice opportunities for competence. Integrating that competency with broader organization analysis and development skills can help organizations solve problems. "The

result: human energy re-channeled in more productive directions” (p. 64). McLagan’s definition set the stage for a continuing focus on HR competency studies.

Yeung (1996), conducted in-depth interviews with 10 senior HR executives and developed an HR competency model that was both generic (i.e., able to encompass the key competencies that are frequently used by companies in different industries) and specific (i.e., able to highlight the competency differences in various HR roles). The research indicated only “10 percent to 35 percent of HR professionals possess required new competencies” (p. 49). The study asked two questions:

What essential competencies will be required of senior HR professionals at both corporate and business unit levels? How can corporations most effectively acquire and/or develop these new competencies? In answer to the first question; the findings showed three competencies as critical: (1) solid knowledge of business or business acumen, (2) a capacity to facilitate and implement change, and (3) influencing skills. These three competencies were mentioned by 90, 60, and 50 percent of HR leaders respectively. (Yeung, 1996, p. 51)

The findings related to the second question resulted in the development of a competency model that identified domains related to: core, leadership, HR expertise, and consultation competencies. This study was important because many research studies focus on the identification of critical competencies of HR professionals, but very few studies discuss the strategies that corporations can use to acquire or develop these competencies. HR professionals have little choice but to make a commitment to retrain themselves in the capabilities that will drive HR/business strategy.



Other articles of this period also focused on the need for competency development in the area of HR. Kochanski (1996), showed that one prominent reason for the interest in HR competencies was that many HR groups were being pressed to provide higher performance at lower cost, but in HR organizations that had already cut costs, competencies remained a means to improve performance without adding people or other significant cost. Two reasons were identified for doing competency work in HR: “(1) HR’s internal customers may need or request competencies as a solution to their own needs; and (2) In a period of downsizing and other stresses on the HR function, competency development can be a positive revitalizer” (p. 5).

In another comprehensive competency study, Lawson (1996), discussed research findings from the Society for Human Resource Management (SHRM). In late 1989, SHRM commissioned a research study to create an overview of current and emerging competitive and organizational trends in business to examine and characterize the evolving role of the HR function relative to these trends, and to describe the competencies instrumental to success of top HR leaders. As such, the research initiative was designed to answer the following strategic questions:

What pressures do organizations face today, and what must they do to remain competitive globally in the future? Toward ensuring a unique source of competitive advantage, what is the role of the human resource function and in what manner is this role changing?

What behavioral characteristics and personal attributes differentiate superior HR incumbent performance from that of average performance, given the changing role expectations? (Lawson, 1996, p. 82)

The ultimate goal of the research initiative was to clarify and quantify, in the form of a senior-level HR competency model, the characteristics of highly effective HR leaders. This

competency model development and validation methodology encompassed nine sequential, though interrelated project steps. These nine steps were: “project planning and benchmarking analysis; CEO data generation, analysis, and results; formulation of preliminary competency model architecture; development and conduct of focus group sessions; review and analysis of Human Resource Certification Institute (HRCI) codification project data; revision of preliminary competency model architecture; administration and analysis of a competency study questionnaire to HR role leaders; development and administration of the competency expectations ranking survey; and formulation and validation of the competency model” (p. 66). The results of this study identified five macro-competencies for HR professionals. These included: “goal and action management; functional and organizational leadership; influence management; business knowledge; and HR technical proficiency” (p. 66).

In 1996, to learn more about how human resource management changes were affecting Federal agencies, the U.S. Merit Systems Protection Board established informal standing panels of approximately 1,800 Federal supervisors and managers, and over 2,000 Federal human resource management professionals. These informal panels are periodically queried on specific HRM issues, usually through short, mailed questionnaires. According to the Office of Policy and Evaluation’s findings, there is a strong disconnect between HR and long-term strategic planning.

Based on the studies and surveys of the Federal workforce that we have conducted over the years, it is our belief that (HR) supervisors are not achieving the right balance between short-term and long-term human resource management goals. That is, supervisors too frequently appear to be making personnel decisions that will quickly meet their immediate requirements, but often do not contribute to (and may even hinder) the

future health of the organization's workforce, its competence, stability, and motivation. And an approach to management that gives insufficient consideration to the future shape of work and the workforce does little to advance the organization's overall strategic goals. (Palguta, Carlyle & Gard, 1998, p. 1)

The 1997 Survey of Human Resource Trends (SHRM & Aon Consulting, 1997) presented a comprehensive look at HR practices in the late 1990s. The purpose of the survey was to provide information to HR professionals for use in the development of human resource strategies for the 21<sup>st</sup> century. Participants in the survey represented all segments of the economy, all areas of the United States, and a wide range of organization and HR department sizes. In early 1997, surveys were distributed to 15,000 members of the Society for Human Resource Management who held vice president, director or manager responsibility for the overall HR function, or served as manager of a selected HR function. A total of 1,729 responses to the survey were received, for a return rate of nearly 12 percent. The survey posited findings that indicated the changing context of HRM.

Change management and strategic planning were identified most often as the skills increasing most in importance to success as an HR professional. HR professionals' work in organizational change, and involvement with senior management in business strategy development, were viewed by participants as making a greater contribution to organizational effectiveness than traditional HR administrative or employee relations activities. Nearly two in five organizations reported using formal HR strategic planning processes; use of such processes is more common among larger organizations. Most commonly, HR strategic plans are formally documented and disseminated, developed

with joint participation by HR and operational management, and used to guide HR process improvement. (SHRM & Aon Consulting, 1997, p. 2)

According to the latest survey of human resource departments conducted by The Bureau of National Affairs, Inc. and the Society for Human Resource Management (SHRM-BNA,2000), HR department responsibilities extend beyond traditional functions as they continue to acquire new responsibilities. The questionnaire was mailed in March of 2000 to 1,762 members of BNA's survey panel of HR executives, and to a random sample of 2,500 members of SHRM. The response rate for the entire sample was 11 percent, with 456 respondents. Three statistics were of particular relevance to the study:

HR department responsibilities often extend beyond traditional human resource functions. In addition to handling core HR activities such as employment, training, and benefits, nearly six out of ten HR offices (59 percent) are responsible for general administrative functions or company-wide services. In addition, HR departments remain far more likely to acquire new responsibilities than to shed any. Roughly two-fifths of the responding HR executives (39 percent) reported one or more changes in their departments' duties within the past year. Almost three out of ten (29 percent) assigned at least one new function to HR without freeing the department from any of its existing responsibilities. Finally, HR outsourcing may have grown more widespread over the past year. Almost seven out of ten responding companies (69 percent) farm out at least some HR tasks, up from 58 percent in 1999. (SHRM-BNA, 2000, p. 3)

Since organizations are increasingly focusing on maximizing human assets through the use of competencies, Arthur Andersen, Schoonover Associates, and the Society for Human Resource Management conducted a survey with over 300 respondents that focused on current

practices related to competency-based HR applications. The survey was conducted electronically using a website, with 61 percent of representation from the private sector. Key findings revealed that of the 300 respondents, approximately one-third were actively using competencies, and 65 percent of those not using competencies indicated that they were very likely to start in the near future. The survey participants highlighted five problems that were undermining successful implementation:

Most frequently cited was lack of skill, with limited knowledge of best practices around building models, designing applications and implementing sustainable rollout plans. The second most commonly cited barrier to success was lack of support by top management and key stakeholders. The third most common impediment was competing priorities. The fourth most common barrier was lack of appropriate people assigned to the competency initiative (e.g., technical expert, project manager, advocate/influencer, etc.). Survey respondents also cited lack of financial support and failing to allocate enough resources for sustainability as a common barrier to success. (Andersen, Schoonover & SHRM, 2000, p. 15)

Lachnit (2001) reported in an article of the December issue of Workforce magazine, that Patrick M. Wright, chair of the HR Studies Department at Cornell University's School of Industrial and Labor Relations, and three other researchers had completed a study comparing HR's perception of its effectiveness with line managers' perceptions. The study was conducted at 14 companies, and surveyed 44 HR and 59 line executives. The results showed that "HR executives consistently gave themselves higher effectiveness ratings than did line managers, and the biggest gaps came in the most important strategic aspects of HR – its effectiveness in enhancing competitive position, providing value-added contribution, and building core

competence” (p. 14). According to Lachnit, Wright and his co-authors suggest that the results may be attributed to HR’s inability to effectively communicate with line managers. Not too surprisingly, however, “in presenting these findings at conferences, Wright has yet to have an HR professional take exception to them” (p. 14).

### Summary

This comprehensive literature review has laid the groundwork for directing this study. The readings indicate that competencies have become increasingly important to creating and sustaining value-added human resource management. Organizations are now requiring with greater frequency that HR professionals fully understand and support long-term strategy initiatives, possess practical business knowledge, display functional competence, consult strategically with general managers, design and implement plans, and be effective organizational leaders. This study endeavors to determine the level of importance of competencies and the extent of gaps that may exist between HR’s personal proficiency and perceptions of organizational and professional expectations. Chapter 3 presents a description of the research methodology used in this study.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### Research Design

The purpose of this study was to perform research on the factors associated with the competencies of the human resource function and their perceived importance from the perspective of the HR practitioner. To accomplish this task, information was analyzed regarding two main themes – with regard to specific competencies, what is the level of importance that HR professionals perceive in relation to their organization and the human resource profession; and, what is their level of proficiency in relation to these competencies? In this sense, the study was a comparative analysis that goes beyond perceptions of importance to reveal self identified shortfalls in competencies based upon organizational and professional estimations of the practitioner. More specifically, the overarching purposes of this study were to determine senior HR practitioners' perceptions regarding: (1) the degree of importance of specific work related competencies, (2) the level of personal proficiency in relation to these competencies, and (3) to identify the significance of selected competency areas in having an influence upon participant success within the HR profession.

This study and the corresponding assessment instrument were created as an extension of a previous investigation into human resource competencies. In 1998, The Society for Human Resource Management (SHRM) commissioned a competency study to provide human resource practitioners with a clear picture of the standards required for performance excellence and to ensure that HR professionals take the lead and responsibility in transforming their profession. The study was conducted by the Schoonover Group, a Massachusetts based consulting firm that specializes in leadership and executive development, assessment services, organizational

effectiveness, change initiatives, and the design and implementation of competency-based human resource systems. The study resulted in the development of an HR competency framework that provides a definition of the range of competencies required for leadership and functional excellence and the necessary behaviors for excellent performance in senior-level strategic HR management competency areas.

Utilizing a competency framework based upon the SHRM sponsored study, the human resource competency questionnaire was developed and administered during the spring and summer of 2001. Questions were directed toward identifying perceptions of the importance of certain human resource competencies that were identified by SHRM as being critical to the success of HR practitioners in building strategic business partnerships.

The HR Professional Competencies Survey (HR-PCS) was distributed to a sample of 2,000 human resource professionals via e-mail and the internet during the period January through June of 2001. A 15 percent response rate was obtained for a sample size of 300 respondents. Perceived importance ratings and personal proficiency levels were then compared to reveal significant indicators of importance. The results showed significantly consistent perceptions among the data sets.

The study concentrated on a predetermined range of common core competencies across four domains – character attributes, leadership and influence, management, and functional skills. These competencies were further distinguished by level-specific attributes, with emphasis on strategic HR management. Appendix D is a representation of the SHRM Foundation's Human Resource Competency Framework, and identifies those specific competencies that were investigated during this study.



The human resource manager must plan, organize, manage, and evaluate with one objective in mind – producing results. Strategy has become an integral part of the way they perform their functions.

### Research Hypotheses

During the conceptualization of this study, several underlying hypotheses were determined to be of significance:

Hypothesis 1. Comparatively, human resource professionals rate the importance of competencies within the organization (their place of employment), as somewhat less important than the corresponding rating of importance to the HR profession as a whole.

This hypothesis is analogous to research question number one.

Hypothesis 2. HR practitioner competency gaps can be detected by comparing levels of individual proficiency with corresponding perceptions of importance to the organization and to the profession. This hypothesis is analogous to research question number two.

Hypothesis 3. Comparatively, human resource professionals characterize their own level of personal proficiency in competency areas higher than the corresponding importance of competencies within the organization (their place of employment). This hypothesis is analogous to research question number one and two.

Hypothesis 4. Comparatively, human resource professionals characterize their own level of personal proficiency in competency areas lower than their perceived importance to the HR profession in general. This hypothesis is analogous to research question number one and two.

Hypothesis 5. The significance of importance placed on specific competencies toward contributing to individual success, closely mirror perceptions of influence on success within the HR profession as a whole. This hypothesis is analogous to research question number four.

### Participants

In order to have a comprehensive knowledge of an organization's HR function, senior-level knowledge is required. Therefore, the survey was administered to a select range of human resource practitioners that met specific qualifying criteria. To assure a high degree of professionalism, all participants were active members of the Society for Human Resource Management, and were selected based upon their job title, function (generalist), and geographic location. Invitations to participate were equally distributed throughout the continental United States, and assured equal opportunity for representation from every state. Drawing on representation from multiple organizations generated a relatively large but extremely qualified sample. Selective participation contributed to the study's overall validity by assuring a "qualified" group of participants. These participants included HR managers, directors, vice presidents, and specialists. Specific industries included professional/ business services, technology, transportation, financial, health services, entertainment, retail, wholesale, education, and manufacturing. Organizations ranged in size from less than 500 to over 5,000 employees. Both male and female respondents were identified by the survey instrument, as well as level of activity by functional area.

### Sampling Procedure

The HR Professional Competencies Survey (HR-PCS) was distributed to members of the Society for Human Resource Management who:

- are based in the U.S.
- are employed by an organization with at least 100 employees.

- hold vice president, director, specialist, or manager responsibilities for the overall HR function, or who serve as manager of a selected HR function.

These selection criteria resulted in the distribution of 3,000 surveys. Completed surveys were received by fax, postal mail, or optional e-mail. Participants were assured confidentiality of their individual data (see invitation to participate, Appendix A).

### Instrumentation

The HR Professional Competencies Survey (HR-PCS) was designed for human resource professionals to identify what competencies the HR practitioner needs to possess in order to be successful in the profession, and the perception of the importance of each competency. The questionnaire needed to be relatively brief, answerable by several levels of HR as determined by scope of responsibility, applicable to all types of organizations, and appropriate for any stage of HR competency development. Given the number of dimensions to be measured (19 competencies, 7 success ratings, and 12 demographic questions), coupled with minimum requirements for internal reliability, the usual format of standardized questions and Likert-type response formats were appropriate for a survey that could be widely administered and deliver comparative data on a dimension-by-dimension basis. According to Larasson (1993), researchers tend to favor two methods of gathering research data. The first method is the idiographic case study method, which focuses on qualitative analysis of one or several cases. The second method, which was chosen for this study, is the nomothetic survey method, which emphasizes quantitative analysis of a few variables across large samples.

The development of the instrument was founded in the philosophy that senior-level HR professionals need to become a proactive, fully participating member of the management team in

order to foster a strategic business partnership. Therefore, the instrument analyzes the function's understanding of the strategy and business of the company, and ability to apply HR techniques to the successful operation of the organization.

The instrument consisted of 38 specific questions. The first twenty-six questions were of the Likert-type response format, and appropriate for analysis of comparative data on a dimension-by-dimension basis. According to Friedman (1998), an important consideration of the construction of a Likert scale concerns the relative number of favorable and unfavorable items. Another consideration posed by Garg (1996), showed that results indicate that people are greatly affected by positively and negatively worded statements in attitude questionnaires, whereby a more negative bias was exhibited with negatively worded statements, and a more positive bias with positively worded statements. In an attempt to avoid such bias, this study took a combined approach by allowing for both favorable and unfavorable responses (indicated by either a high or low importance rating), and neutrally worded statements.

The instrument was designed to be answered by respondents presumably at any level, in almost any type organization, and with any intensity of HR functional activity. The items in the survey are drawn from research and case studies that address the preconditions for business partnership. At present, no universally agreed-on model for effectively utilizing HR in a strategic manner exists. The survey is designed to be enlightening rather than a rigorous data-gathering instrument. Used in this manner, the items are hypotheses that have high levels of face value. In addition, definitions for each of the 19 competencies under investigation were provided on the survey instrument (HR-PCS), and can be found in appendix C. This increases the overall validity and reliability of the data gathered, by assuring consistency of respondents' level of understanding toward individual items under investigation.

### Variables

Research design can be classified into two types: (a) functional designs and (b) factorial designs (Wise, Nordberg, and Reitz, 1967). The difference between the two design types is whether the researcher can control the independent variable at will (the functional design) or whether during the course of the research, the researcher can not control the independent variable (the factorial design). For this study, the independent variable is controllable.

Dependent variables are related to the measurable outcomes of research. The dependent variable for this study was the measure of importance. Shown within this variable were competency categories in relation to the respondents' organization, the profession as a whole, and respondent proficiency. The Independent variable for this study was the grouping of participants categorized by demographic information, such as job title (manager, director, vice president, and specialist), and relationship to perceived importance of HR Competencies.

### Data Collection

The questionnaires were pilot-tested using a group of 30 HR professionals from the SHRM membership, and was representative of the targeted 300 respondent population for the actual study. The pilot study acts as a miniaturized walkthrough of the entire study from sampling to reporting (Babbie, 1973, p. 211). The purpose of the pilot was to estimate the expected response rate, calibrate the chosen statistical methods, and lend credence to instrument validation. Minor changes were made to the instrument in order to enhance congruity of several items under investigation. Final questionnaires were distributed in response to invitations to participate. The survey population was limited to SHRM members that met qualifying criteria. The 300 completed surveys were returned by a combination of e-mail, fax, and postal mail.

While the survey sample was somewhat limited and the response rate was lower than expected, the survey nonetheless solicited input from a very experienced group of senior managers.

Data collection consisted of responses from the SHRM membership database. The survey package consisted of an initial invitation to participate (Appendix A), explaining the purpose of the study, the nature of the study, and a confidentiality statement regarding how the information would be handled and used. Consent to participate was delineated in the invitation and was acknowledged by a response to the invitation indicating agreement to participate. Confidentiality was explicitly conveyed and assured. Names of individual respondents and their organizations were not to be divulged so as to assure anonymity. Participation was voluntary, and respondents were free to withdraw from the study at any time.

#### Statistical Treatment

Data analysis consisted of multiple steps. The questionnaires were coded and an Excel database, as part of Microsoft Office software, was used for initial data sorting. The Statistical Package for the Social Sciences (SPSS), Version 9.0, was used for data analysis. For purposes of describing the population of the study and ratings concerning importance, descriptive statistical methods were used. The descriptive statistics presented included: populations, means, and standard deviations. In addition, descriptive statistics were used to describe the most and least important competencies, as well as practitioner perceptions of importance to success both personally and professionally.

Analysis of Variance (ANOVA) was used to determine if selected independent variables were significantly related to the dependent variables of the study. The *F* test was used in the one-way ANOVA to determine variability in scores between sample groups. This bivariate

statistical technique is referred to as “one-way” because there is only one independent variable, even though there may be several levels of that variable (Zikmund, 1997). The researcher used an alpha level of .05 to determine the degree of confidence in findings of this study. ANOVA assumes that all populations have homogeneous (equal) variance. Depending on the level of significance found in comparisons, a post hoc comparison may be appropriate. However, if  $F_{obt}$  is found to be non-significant, a post hoc comparison to determine which specific means differ significantly would not be necessary. A comparison between  $F_{obt}$  and  $F_{crit}$  was considered during data analysis.

### Limitations

First and foremost, this study was a study of perceptions. However, perceptions based on the importance rankings of HR competencies previously identified as important from an existing body of knowledge proved valuable. Second, the sample population of this study was marginally representative of all human resource professionals in organizations throughout the world of business. Third, although the population of this study was selected from a computer generated random list of SHRM members, the selection was further stratified according to specific criteria. In combination with a relatively poor response rate, this would further reduce random sampling as a component of this study. In addressing these latter limitations, it can be argued that HR practitioners used in this study were representative of the global HR population by the nature of their demographic profiles and the fact that these professionals were selected through an automated membership listing. Last, this was a study involving means. Such studies are limited as to the conclusions that can be generalized across populations or groups based on this limited statistical analysis (Blair, 1984). Despite these limitations, the implications of this study are significant.

## CHAPTER 4

### FINDINGS

#### Introduction

This chapter presents the study findings related to the perceived importance of human resource competencies by practicing HR professionals. The findings related to this study represent a comparative analysis of data gathered over a period of several months during the fall and winter of 2001. The survey data collection instrument (HR-PCS) was comprised of 38 questions categorized into specific competency areas, perceptions regarding individual professional success, and categorical demographic information. Specific competency areas were based upon investigative findings from previous studies, and are consistent with the human resource competency framework developed by the Society for Human Resource Management and a host of recognized scholars in the field. A summary of the data and statistical results have been provided to facilitate an understanding of all of the data collected (Appendix E). The conclusions and recommendations are based on these findings and are presented in Chapter 5.

#### Descriptive Demographics

Although a generalized description of the sample population and sampling procedures were presented in Chapter 3, the following data provide a more detailed and precise description of the demographic characteristics of the study participants. In all, the combination of job classifications and respondent work assignments are thought to be sufficiently broad to provide a reasonably representative sample of the targeted working population of senior-level practitioners. Of the 300 respondents, there were 91 managers, 92 directors, 85 vice presidents, and 32 human resource specialists. In addition, 107 (36 percent) of the respondents were male, and 193 (64



percent) were female. Table 4 shows number of respondents by gender and job title.

Table 4

Respondent Demographics by Gender and Job Title

Respondents	Manager	Director	Vice President	Specialist	Total	Percent
Male	21	37	41	8	107	36%
Female	70	55	44	24	193	64%
Total	91	92	85	32	300	
Percent	30%	31%	28%	11%		100%

Demographic information regarding the respondent sample population was further classified according to type of organization by industry. A data table depicting the number of respondents by job title and type of organization is presented in Table 5. The majority of respondents (22 percent) were from the professional and business services, followed by manufacturing (18 percent), technology and telecommunications (14 percent), healthcare services (13 percent), and the financial and insurance industries (10 percent) accounting for three-fourths of the total respondents. All of the industry categories received representation of at least three percent of the total sample population.

Table 5

Industry Groups Represented by the Survey Participants

Industry	<i>n</i> (#)	<i>n</i> (%)
Professional and Business Services	66	22%
Manufacturing	54	18%
High Technology and Telecommunications	41	14%
Healthcare Services	39	13%
Financial and Insurance	30	10%
Education	21	7%
Retail and Wholesale	16	5%
Transportation and Distribution	15	5%
Food, Beverage and Consumer Goods	9	3%
Hospitality and Entertainment	9	3%
Total:	300	100%

In addition to specific industry, respondents were requested to identify the size of their organization by the total number of employees. Approximately half of the respondents (46 percent) represented organizations having a total population of less than 500 employees, while twenty-one percent of respondents indicated their organizations as having in excess of 5,000 employees. Distribution of respondent organizations by total employment is presented in Table 6.

Table 6

Distribution of Respondent Organizations by Total Employment

<u>Employment</u>	<u>n (#)</u>	<u>n (%)</u>
Less than 500	137	46%
500-999	31	10%
1,000-1,999	38	13%
2,000-2,999	14	5%
3,000-5,000	16	5%
<u>5,000 or More</u>	<u>64</u>	<u>21%</u>
<b>Total:</b>	<b>300</b>	<b>100%</b>

Table 7 presents a categorical summary of respondent activity levels by the amount of time spent on human resource functional activities, and include: *employee/labor relations; HR planning and reporting; compensation and benefits; training and development; legal compliance; and policy development*. The range of response was from a low of six percent, to a high of forty-five percent. Respondent demographics by level of activity revealed that item number 27 had the highest response, with 45 percent of respondents indicating *employee/labor relations* as being the most time consuming activity. The second most time consuming activity, with a response rate of 17 percent, was *HR Planning and Reporting*, followed by *Compensation & Benefits, Training & Development, and Legal Compliance*. Item number 32 had the lowest

response, with 24 percent of respondents indicating *Policy Development* as being the least time consuming activity.

Table 7

Respondent Demographics by Level of Activity

<u>Item</u>	<u>ACTIVITY</u>	<u>1<sup>ST</sup></u>	<u>2<sup>ND</sup></u>	<u>3<sup>RD</sup></u>	<u>4<sup>TH</sup></u>	<u>5<sup>TH</sup></u>	<u>6<sup>TH</sup></u>
27	Employee/Labor Relations	135 45%	45 15%	43 14%	25 8%	23 8%	29 10%
28	HR Planning & Reporting	51 17%	31 10%	44 15%	68 23%	56 19%	50 17%
29	Compensation & Benefits	42 14%	69 23%	55 18%	59 20%	39 13%	36 12%
30	Training & Development	33 11%	59 20%	44 15%	46 15%	56 19%	62 21%
31	Legal Compliance	23 8%	58 19%	60 20%	51 17%	57 19%	51 17%
32	Policy Development	19 6%	35 12%	59 20%	56 19%	60 20%	71 24%

Note. Respondents were asked to rank their level of work activity in each of the above functional areas with “1” indicating the most time consuming activity, and “6” indicating the least time consuming activity.

Results

HR strategist competencies focus on business team-partnership and consultation, human resource strategy development, and alignment of human resource products and services with the organization’s strategic direction and core capabilities. The HR professional competencies survey used in this study represents a framework focusing on specific competencies and is not intended to be a comprehensive profile of a particular role or setting. This study included

respondents with an “HR generalist” background. In practice, no single HR professional is required to demonstrate or master all HR competencies. Each professional should select the appropriate competency areas that are required for success in their current role with their individual organization. This study concentrates on role-specific competencies in the realm of “HR strategist.”

### Perceptions of HR Competency Importance

#### (Research Question 1)

What are the current perceptions of senior-management level HR practitioners regarding the level of importance of professional competencies? The HR competencies were grouped into five general categories: *Character Attributes* (Q1-3); *Leadership & Influence* (Q4-6); *Management/Functional Skills* (Q7-13); *Level Specific, i.e., Senior-Level Executive* (Q14-16); and *Role Specific, i.e., HR strategist* (Q17-19). The data related to the respondents’ perceptions regarding the importance of each of the 19 specific competencies in relation to organizational importance, professional importance, and level of personal proficiency. Frequencies reflect that the responses are appropriately distributed among the 5-point Likert-type scale measurements. The mean, standard deviation, and correlation coefficient for each of the nineteen specific HR competencies are shown in Table 8. Correlation between *personal proficiency* and *professional importance* as well as between *personal proficiency* and *organizational importance* using the Pearson product correlation coefficient “*r*” are depicted for each of the 19 competencies.

The data show that of the nineteen competencies regarding perceived importance to the *organization*, HR practitioners perceived Relationship Building ( $M = 4.38$ ) to be most important and Business Process Reengineering ( $M = 3.68$ ) to be the least important of the competencies.

All nineteen of the competencies were ranked relatively high with 72 percent of the total organizational importance responses at or above “4” and “5,” which corresponded to the labels of “important” and “critically important.” Only two percent of the total organizational importance responses were at the “1” level, which corresponded to the label of “not important.”

The data show that of the nineteen competencies regarding perceived importance to the human resource *profession*, HR practitioners perceived *Relationship Building* ( $M = 4.71$ ) to be most important and *Quality Orientation & Continuous Improvement* ( $M = 4.01$ ) to be the least important of the competencies. All nineteen of the competencies were ranked relatively high with 90 percent of the total professional importance responses at or above “4,” which corresponded to the labels of “important” and “critically important.” Only five of the total responses for organizational importance were at the “1” level, which corresponded to the label of “not important.” And, 56 of the total responses for organizational importance were at the “2” level, which corresponded to the label of “slightly unimportant.”

The data show that of the nineteen competencies regarding respondents’ level of *proficiency*, HR practitioners identified *Customer Value Creation* ( $M = 4.45$ ) to have the highest overall level of proficiency, and *Internal/External Partnership Building* ( $M = 3.62$ ) to have the lowest overall level of proficiency. All nineteen of the competencies were ranked relatively high with 77 percent of the total proficiency level responses at or above “4,” which corresponded to the labels of “above average” and “highly proficient.” Only 10 percent of the total proficiency level responses were at the “2” level, which corresponded to the label of “low.” Of the total responses, 21 percent of the total proficiency level responses were at the “3” level, which represented the “average” label.

Of the 19 competencies under investigation, only four of the "r" correlation values were found to be more significant in relation to *organizational importance* than to *professional importance* in comparison with *personal proficiency*. These include *Change Management*, *Project Management*, *Business Management*, and *Human Capital Management*. The findings also indicate that of the 19 competencies, the strongest correlations existed between *personal proficiency* and *professional importance*. These competencies include *Customer Value Creating*, *Assessment and Evaluation*, *Compliance*, *Performance Management*, and *Process Reengineering*.

Table 8

Competency Ratings

Item	Competency	N	M	sd	r
1	Relationship Building				
	Organizational Importance	300	4.27	0.92	0.24
	Professional Importance	300	4.71	0.49	0.28
	Personal Proficiency	300	4.38	0.67	
2	Continuous Learning				
	Organizational Importance	300	3.84	0.92	0.16
	Professional Importance	300	4.48	0.60	0.42
	Personal Proficiency	300	4.07	0.71	
3	Tolerance for Stress, Ambiguity, & Change				
	Organizational Importance	300	4.22	0.95	0.30
	Professional Importance	300	4.48	0.69	0.31
	Personal Proficiency	300	4.29	0.71	
4	Strategic Business Perspective				
	Organizational Importance	300	4.21	0.97	0.36
	Professional Importance	300	4.34	0.74	0.37
	Personal Proficiency	300	3.90	0.84	

<b>Item</b>	<b>Competency</b>	<b><i>N</i></b>	<b><i>M</i></b>	<b><i>sd</i></b>	<b><i>r</i></b>
5	<b>Change Management</b>				
	Organizational Importance	300	4.01	1.00	0.38
	Professional Importance	300	4.42	0.64	0.37
	Personal Proficiency	300	3.97	0.77	
6	<b>Communication and Influence</b>				
	Organizational Importance	300	4.05	0.94	0.25
	Professional Importance	300	4.57	0.58	0.32
	Personal Proficiency	300	4.28	0.67	
7	<b>Project Management</b>				
	Organizational Importance	300	3.75	0.95	0.30
	Professional Importance	300	4.26	0.66	0.29
	Personal Proficiency	300	3.98	0.76	
8	<b>Quality Process Orientation</b>				
	Organizational Importance	300	3.92	0.98	0.25
	Professional Importance	300	4.01	0.76	0.49
	Personal Proficiency	300	3.79	0.71	
9	<b>Customer Value Creating</b>				
	Organizational Importance	300	4.45	0.78	0.32
	Professional Importance	300	4.45	0.71	0.51
	Personal Proficiency	300	4.30	0.69	
10	<b>Assessment and Evaluation</b>				
	Organizational Importance	300	3.86	0.99	0.39
	Professional Importance	300	4.36	0.70	0.52
	Personal Proficiency	300	3.91	0.79	
11	<b>Compliance</b>				
	Organizational Importance	300	4.29	0.87	0.29
	Professional Importance	300	4.69	0.58	0.50
	Personal Proficiency	300	4.37	0.73	
12	<b>Coaching and Counseling</b>				
	Organizational Importance	300	3.89	0.97	0.24
	Professional Importance	300	4.47	0.61	0.46
	Personal Proficiency	300	4.31	0.73	
13	<b>Staffing and Retention</b>				
	Organizational Importance	300	4.16	0.94	0.35
	Professional Importance	300	4.61	0.55	0.40
	Personal Proficiency	300	4.19	0.71	

Item	Competency	<i>N</i>	<i>M</i>	<i>sd</i>	<i>r</i>
14	Visioning and Alignment				
	Organizational Importance	300	3.79	1.06	0.39
	Professional Importance	300	4.16	0.75	0.48
	Personal Proficiency	300	3.74	0.81	
15	Partnership Building				
	Organizational Importance	300	3.62	1.07	0.39
	Professional Importance	300	4.25	0.70	0.42
	Personal Proficiency	300	3.88	0.83	
16	Performance Management				
	Organizational Importance	300	3.94	1.03	0.41
	Professional Importance	300	4.40	0.68	0.53
	Personal Proficiency	300	4.07	0.76	
17	Process Reengineering				
	Organizational Importance	300	3.75	0.99	0.33
	Professional Importance	300	4.01	0.78	0.51
	Personal Proficiency	300	3.68	0.88	
18	Business Management				
	Organizational Importance	300	3.87	1.05	0.44
	Professional Importance	300	4.53	0.67	0.42
	Personal Proficiency	300	4.08	0.78	
19	Human Capital Maximization				
	Organizational Importance	300	3.68	1.07	0.44
	Professional Importance	300	4.49	2.28	0.42
	Personal Proficiency	300	3.79	0.81	

Note. *Importance Scale:* 1 = Not Important; 2 = Slightly Unimportant; 3 = Neutral; 4 = Important; 5 = Critically Important. *Proficiency Scale:* 1 = Not Applicable; 2 = Low; 3 = Average; 4 = Above Average; 5 = High. Pearson product correlation coefficient “*r*” is the measure of relationship between *Personal Proficiency* and *Perceived Importance to the Organization*, and *Perceived Importance to the Profession*.



Mean ratings in order of perceived importance to the *organization* are presented in Table 9. The data show that of the 19 items, the highest rated competencies in relation to importance to the respondents' organization included: *Relationship Building; Legal Compliance; Coaching and Counseling; Customer Value Creating; Tolerance for Stress, Ambiguity, and Change; and Communication and Influence*. These competencies ranked in the top one-third of all competencies under consideration. An examination of the average means and standard deviations for the first nineteen questions in relation to importance to the *organization* (Q1-19,  $M = 4.05$ ,  $sd = 0.97$ ), indicates that respondents are in relative agreement on the importance of all competencies. The means range from a low of 3.68 to a high of 4.38 on the Likert-scale, which is only a 16 percent difference in overall perception of importance.

Table 9

Mean Ratings in Order of Perceived Importance to the Organization

Item	<i>N</i>	<i>Mean</i>	<i>sd</i>
1 Relationship Building	300	4.38	0.92
11 Legal Compliance	300	4.37	0.87
12 Coaching and Counseling	300	4.31	0.97
9 Customer Value Creation	300	4.30	0.78
3 Tolerance for Stress, Ambiguity, and Change	300	4.29	0.95
6 Communication and Influence	300	4.28	0.94
13 Staffing and Retention	300	4.19	0.94
18 * HR Business Support	300	4.08	1.03
2 Continuous Learning	300	4.07	0.92
16 * Performance Management and Empowerment	300	4.07	1.03
7 Project Management	300	3.98	0.95
5 Change Management	300	3.97	1.00
10 Assessment & Evaluation (Problem Solving)	300	3.91	0.99
4 Strategic Business Perspective	300	3.90	0.97
15 * Internal and External Partnership Building	300	3.88	1.07
8 Quality Orientation and Continuous Improvement	300	3.79	0.98
19 * Human Capital Management	300	3.79	1.07
14 * Visioning and Alignment	300	3.74	1.06
17 * Business Process Reengineering	300	3.68	0.99
1-19 All Competencies		4.05	0.97

Note. \* *Senior-Level Executive and HR Strategist competencies (Appendix D).*

Mean ratings in order of perceived importance to the *profession* are presented in Table 10. The data show that of the 19 items, the highest rated competencies in relation to importance to the HR profession included: *relationship building; legal compliance; staffing and retention; communication and influence; HR business support; and human capital management*. These competencies ranked in the top one-third of all competencies under consideration. An examination of the average means and standard deviations for the first nineteen questions in relation to importance to the HR *profession* (Q1-19,  $M = 4.40$ ,  $sd = 0.83$ ), indicates that respondents are in relative agreement on the importance of all competencies. The means range from a low of 4.01 to a high of 4.71 on the Likert-scale, which is only a 15 percent difference in overall perception of importance.

Table 10

Mean Ratings in Order of Perceived Importance to the HR Profession

Item	<i>N</i>	<i>Mean</i>	<i>sd</i>
1 Relationship Building	300	4.71	0.49
11 Legal Compliance	300	4.69	0.58
13 Staffing and Retention	300	4.61	0.94
6 Communication and Influence	300	4.57	0.94
18 * HR Business Support	300	4.53	1.05
19 * Human Capital Management	300	4.49	1.07
2 Continuous Learning	300	4.48	0.92
3 Tolerance for Stress, Ambiguity, and Change	300	4.48	0.95
12 Coaching and Counseling	300	4.47	0.61
9 Customer Value Creation	300	4.45	0.78
5 Change Management	300	4.42	1.00
16 * Performance Management and Empowerment	300	4.40	1.03
10 Assessment & Evaluation (Problem Solving)	300	4.36	0.70
4 Strategic Business Perspective	300	4.34	0.97
7 Project Management	300	4.26	0.66
15 * Internal and External Partnership Building	300	4.25	0.70
14 * Visioning and Alignment	300	4.16	0.75
17 * Business Process Reengineering	300	4.01	0.78
8 <u>Quality Orientation and Continuous Improvement</u>	<u>300</u>	<u>4.01</u>	<u>0.76</u>
1-19 All Competencies		4.40	0.83

Note. \* *Senior-Level Executive and HR Strategist competencies (Appendix D).*

Mean ratings in order of *personal proficiency* are presented in Table 11. The data show that of the 19 items, the highest rated competencies in relation to personal proficiency included: *customer value creation; legal compliance; relationship building; tolerance for stress, ambiguity, and change; strategic business perspective; and staffing and retention*. These competencies ranked in the top one-third of all competencies under consideration. An examination of the average means and standard deviations for the first nineteen questions in relation to *personal proficiency* (Q1-19,  $M = 3.98$ ,  $sd = 0.76$ ), indicates that collectively, respondents rate themselves to be “above average.” The means range from a low of 3.98 to a high of 4.45 on the Likert-scale.

Table 11

Mean Ratings in Order of Personal Proficiency

Item	<i>N</i>	<i>Mean</i>	<i>sd</i>
9 Customer Value Creation	300	4.45	0.69
11 Legal Compliance	300	4.29	0.73
1 Relationship Building	300	4.27	0.67
3 Tolerance for Stress, Ambiguity, and Change	300	4.22	0.71
4 Strategic Business Perspective	300	4.21	0.84
13 Staffing and Retention	300	4.16	0.71
6 Communication and Influence	300	4.05	0.67
5 Change Management	300	4.01	0.77
16 * Performance Management and Empowerment	300	3.94	0.76
8 Quality Orientation and Continuous Improvement	300	3.92	0.71
12 Coaching and Counseling	300	3.89	0.73
18 * HR Business Support	300	3.87	0.78
10 Assessment & Evaluation (Problem Solving)	300	3.86	0.79
2 Continuous Learning	300	3.84	0.71
14 * Visioning and Alignment	300	3.79	0.81
17 * Business Process Reengineering	300	3.75	0.88
7 Project Management	300	3.75	0.76
19 * Human Capital Management	300	3.68	0.81
15 * <u>Internal and External Partnership Building</u>	<u>300</u>	<u>3.62</u>	<u>0.83</u>
1-19 All Competencies:		3.98	0.76

Note. \* *Senior-Level Executive and HR Strategist* competencies (Appendix D).

## HR Competency /Proficiency Gap Analysis

### (Research Question 2)

Are there identifiable gaps between HR practitioner personal competency levels and corresponding levels of perceived importance in relation to their organization and the HR profession as a whole?

To perform an assessment of individual competencies, respondents were asked to rate their own level of proficiency in each competency area. By comparing the self-identified levels of proficiency to importance levels by organization and profession, it is possible to determine areas of weakness (gaps) in relation to specific competencies. The following formula was used to determine the gap for each competency ( $I - P = G$ ), where “I” represents the level of *importance* to the respondent’s organization or the HR profession, “P” represents the level of personal *proficiency*, and “G” which is representative of *gap*. Subtracting the proficiency rating from the importance rating yields individual competency gaps ( $I - P = G$ ). By adding all of the gaps for a particular competency and then dividing by the total number of respondents, an average competency gap can be determined for the sample population ( $G_{\text{Total}} \div N = G_{\text{avg}}$ ). This is the same methodology for calculating competency proficiency gaps used in the SHRM sponsored study (Schoonover, et. all, 1998).

The data show that of the nineteen competencies regarding perceived importance to the organization, the most frequently indicated gap occurred in *Strategic Business Perspective* (42 percent), with 126 of the respondents rating the level of importance to the organization higher than their rating of personal proficiency on the 5 point Likert-scale. The next most frequently occurring gaps included *Business Process Reengineering*, *Continuous Improvement/Quality Orientation*, and *Vision & Alignment*. In contrast, the least frequently indicated gap occurred in *Coaching & Counseling* (17 percent), with 50 of the respondents rating the level of importance to the organization higher than their rating of personal proficiency.

The data show that of the nineteen competencies regarding perceived importance to the HR profession, the most frequently indicated gap occurred in *Human Capital Management* (49 percent), with a total of 148 respondents rating the level of importance to the HR profession higher than their rating of personal proficiency. In contrast, the least frequently indicated gap occurred in *Coaching & Counseling* and *Customer Satisfaction & Value* (26 percent), with 79 of the respondents rating the level of importance to the HR profession higher than their rating of personal proficiency for both competencies. Table 12 presents the collective findings for each competency in relation to the respondent's organization and the HR profession in general.

Table 12

Competency Gap Analysis (In Order Of Organizational Gap)

Item	Competency	Organizational Gap		Professional Gap	
		Cases	%	Cases	%
4	Strategic Business Perspective	126	42%	135	45%
17 *	Bus. Process Reengineering	106	35%	113	38%
8	CI/Quality Orientation	98	33%	91	30%
14 *	Vision & Alignment	93	31%	132	44%
5	Change Management	92	31%	128	43%
9	Customer Satisfaction/Value	88	29%	79	26%
13	Staffing & Retention	85	28%	126	42%
10	Problem Solving	82	27%	129	43%
3	Tolerance to Change	76	25%	95	32%
1	Relationship Building	72	24%	111	37%
19 *	Human Capital Management	71	24%	148	49%
16 *	Empowerment & Performance	71	24%	107	36%
11	Compliance	66	22%	97	32%
2	Continuous Learning	65	22%	124	41%
6	Communication & Influence	63	21%	103	34%
7	Project Management	59	20%	110	37%
18 *	HR Business Support	58	19%	121	40%
15 *	Internal/External Partnerships	53	18%	115	38%
12	Coaching & Counseling	50	17%	79	26%
1-19	Mean Value of All Competencies:	77.6	26%	112.8	38%
1-19	Total:	(1,474)		(2,143)	

Note. \* *Senior-Level Executive and HR Strategist* competencies (HR Competency Framework, Appendix D).

Table 13

Organizational Competency Gap Analysis By Job Title

Item	Competency	Manager	Organizational Gap		
			Director	VP	Specialist
1	Relationship Building	25%	25%	22%	22%
2	Continuous Learning	27%	20%	18%	22%
3	Tolerance to Change	32%	26%	19%	22%
4	Strategic Business Perspective	52%	37%	35%	47%
5	Change Management	37%	28%	25%	34%
6	Communication & Influence	21%	18%	25%	19%
7	Project Management	21%	20%	19%	19%
8	CI/Quality Orientation	41%	26%	31%	34%
9	Customer Satisfaction/Value	27%	26%	36%	25%
10	Problem Solving	32%	23%	25%	34%
11	Compliance	21%	20%	24%	28%
12	Coaching & Counseling	16%	15%	15%	25%
13	Staffing & Retention	32%	28%	25%	28%
14	Vision & Alignment	35%	32%	26%	31%
15	Internal/External Partnerships	16%	13%	22%	22%
16	Empowerment & Performance	29%	16%	27%	22%
17	Bus. Process Reengineering	41%	32%	31%	44%
18	HR Business Support	25%	13%	18%	25%
19	<u>Human Capital Management</u>	<u>26%</u>	<u>20%</u>	<u>28%</u>	<u>16%</u>
1-19	Mean Value of All Competencies:	30%	23%	25%	27%

Competency gap analysis was further evaluated by distinguishing data according to respondent's job title, i.e., manager, director, vice president, and specialist. Table 13 presents response ratios in relation to the organization. The range of responses expressed as a percentage for each competency, range from a low of two percentage points for *Project Management* (19 percent to 21 percent), to a high of 17 percentage points (35 percent to 52 percent) for *Strategic Business Perspective*. Findings indicate that the trend is for the manager and specialist to be more similar to each other, and generally more different than the director and vice president. Findings also indicate that competency gaps are generally smaller for the director and vice president groups than for the manager and specialist groups. This finding is supportive of the assumption that the more senior levels of human resource management are inclined to possess inflated perceptions of personal competency as evidenced through self-reported responses.

Table 14 presents response ratios in relation to the HR profession. The range of responses expressed as a percentage for each competency, range from a low of five percentage points for *Continuous Learning* (38 percent to 43 percent), to a high of 30 percentage points (26 percent to 56 percent) for *Compliance*. Findings for this category indicate that the trend is for the manager and specialist to be more similar to each other, and generally more different than the director and vice president. Findings also indicate that competency gaps are generally smaller for the director and vice president groups than for the manager and specialist groups. These findings are again supportive of the assumption that the more senior levels of human resource management possess inflated perceptions of personal competency.

Table 14

Professional Competency Gap Analysis By Job Title

Item	Competency	Manager	Professional Gap		
			Director	VP	Specialist
1	Relationship Building	42%	38%	33%	31%
2	Continuous Learning	43%	43%	39%	38%
3	Tolerance to Change	42%	28%	24%	34%
4	Strategic Business Perspective	58%	38%	35%	53%
5	Change Management	47%	45%	31%	56%
6	Communication & Influence	30%	40%	32%	38%
7	Project Management	41%	38%	27%	47%
8	CI/Quality Orientation	27%	30%	31%	38%
9	Customer Satisfaction/Value	27%	24%	32%	16%
10	Problem Solving	55%	37%	35%	47%
11	Compliance	32%	30%	26%	56%
12	Coaching & Counseling	24%	30%	24%	28%
13	Staffing & Retention	43%	43%	33%	59%
14	Vision & Alignment	48%	46%	35%	50%
15	Internal/External Partnerships	41%	37%	34%	47%
16	Empowerment & Performance	42%	28%	36%	38%
17	Bus. Process Reengineering	46%	34%	27%	53%
18	HR Business Support	51%	41%	28%	41%
19	<u>Human Capital Management</u>	<u>54%</u>	<u>50%</u>	<u>41%</u>	<u>56%</u>
1-19	Mean Value of All Competencies:	42%	37%	32%	44%

Detailed gap analysis was conducted to reveal the number of respondents by job title that had no identifiable gaps in proficiency. Of the 91 HR Managers, the number of fully-proficient respondents included 11 for organizational (12 percent), and 5 for professional (6 percent). Of the 92 HR directors, there were 10 for organizational (11 percent), and 8 for professional (9 percent). Of the 86 HR vice presidents, there were 15 for organizational (17 percent), and 9 for professional (11 percent). And, of the 32 HR specialists, there was only 1 for organizational (3 percent), with all other specialists having a determinable gap with reference to professional competencies. Only three HR managers, five directors, and six vice presidents reported no gaps in proficiency.



Agreement on Importance of HR Competencies

(Research Question 3)

Do senior-level HR practitioners (managers, directors, vice presidents, and specialists), share a consensus of opinion regarding perceptions on the importance of specific competencies in relation to their organization and the HR profession as a whole? For this analysis, job title was selected to differentiate among the various HR practitioners by level of seniority and scope of responsibility within their organization.

In this examination, the independent variable for the specific competency being measured is categorical with more than two levels (HR manager, director, vice president, and specialist). The scale for the dependent variable being measured is the perceived level of importance for the specific competency (interval/ratio). For this reason, one-way analysis of Variance (ANOVA) was used to examine the data related to this research question (Hinkle, Wireman, & Jurs, 1988). Assumptions made when employing ANOVA include the assumption that (1) each condition contains a random sample of interval or ratio scores, (2) the population represented by the scores in each condition forms a normal distribution, and (3) the variances of all populations represented in the study are homogeneous (Anderson, Sweeney & Williams, 1996). The number of participants in each condition ( $n$ ) need not be equal. For this study, alpha was set at .05. For this analysis, the null hypothesis is that there are no statistically significant perception of importance differences between the populations represented by the conditions. Thus, for the perception of importance study, the hypotheses is represented by  $H_0: \mu_1 = \mu_2 = \mu_3 = \mu_4$ , where “ $\mu$ ” represents each of the four HR practitioner groups identified by job title. Table 15 shows the ANOVA results related to differences in perceptions of importance and levels of personal proficiency among HR professionals grouped by title. Where there is a significant difference for the ANOVA, letters in the “ $dv$ ” column are used to signify differences using Duncan's test for  $p$ -values of less than 0.05.

Table 15

Importance and Proficiency Comparisons by Job Title

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>	
1	<b>Relationship Building</b>							
	<b>Importance to the Organization</b>							
		Manager	91	4.12	0.96	a		
		Director	92	4.16	1.01	a		
		Vice President	85	4.53	0.68	b		
		Specialist	32	4.28	0.99	a	3.53	0.02
	<b>Importance to the Profession</b>							
		Manager	91	4.67	0.50			
		Director	92	4.75	0.50			
		Vice President	85	4.71	0.53			
		Specialist	32	4.72	0.46		0.41	0.75
	<b>Personal Proficiency</b>							
	Manager	91	4.31	0.68				
	Director	92	4.37	0.73				
	Vice President	85	4.46	0.61				
	Specialist	32	4.41	0.67		0.76	0.51	
2	<b>Continuous Learning</b>							
	<b>Importance to the Organization</b>							
		Manager	91	3.85	0.99			
		Director	92	3.67	0.93			
		Vice President	85	4.01	0.84			
		Specialist	32	3.88	0.91		2.00	0.11
	<b>Importance to the Profession</b>							
		Manager	91	4.52	0.52			
		Director	92	4.36	0.62			
		Vice President	85	4.52	0.65			
		Specialist	32	4.63	0.55		2.14	0.10
	<b>Personal Proficiency</b>							
	Manager	91	4.04	0.73				
	Director	92	3.95	0.72				
	Vice President	85	4.16	0.69				
	Specialist	32	4.22	0.66		1.97	0.12	
3	<b>Tolerance for Stress, Ambiguity, &amp; Change</b>							
	<b>Importance to the Organization</b>							
		Manager	91	4.18	0.99			
		Director	92	4.15	1.02			
		Vice President	85	4.36	0.78			
		Specialist	32	4.13	1.01		0.96	0.41
	<b>Importance to the Profession</b>							
		Manager	91	4.51	0.66			
		Director	92	4.45	0.72			
	Vice President	85	4.47	0.70				
	Specialist	32	4.50	0.67		0.13	0.94	

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>
	<b>Personal Proficiency</b>						
	Manager	91	4.20	0.70			
	Director	92	4.32	0.69			
	Vice President	85	4.41	0.66			
	Specialist	32	4.16	0.85		1.79	0.15
4	<b>Strategic Business Perspective</b>						
	<b>Importance to the Organization</b>						
	Manager	91	4.20	1.00			
	Director	92	4.16	0.94			
	Vice President	85	4.38	0.79			
	Specialist	32	3.94	1.32		1.76	0.15
	<b>Importance to the Profession</b>						
	Manager	91	4.32	0.70			
	Director	92	4.32	0.81			
	Vice President	85	4.40	0.68			
	Specialist	32	4.25	0.80		0.38	0.77
	<b>Personal Proficiency</b>						
	Manager	91	3.69	0.73	a		
	Director	92	3.99	0.82	b		
	Vice President	85	4.14	0.77	b		
	Specialist	32	3.60	1.10	a	6.33	0.0004
5	<b>Change Management</b>						
	<b>Importance to the Organization</b>						
	Manager	91	3.98	1.04			
	Director	92	3.99	0.99			
	Vice President	85	4.16	0.90			
	Specialist	32	3.78	1.16		1.27	0.28
	<b>Importance to the Profession</b>						
	Manager	91	4.35	0.58			
	Director	92	4.50	0.60			
	Vice President	85	4.40	0.71			
	Specialist	32	4.44	0.72		0.73	0.53
	<b>Personal Proficiency</b>						
	Manager	91	3.82	0.78	a		
	Director	92	4.01	0.73	b		
	Vice President	85	4.16	0.72	b		
	Specialist	32	3.72	0.85	a	4.24	0.006
6	<b>Communication and Influence</b>						
	<b>Importance to the Organization</b>						
	Manager	91	4.00	0.99	a		
	Director	92	4.01	0.95	a		
	Vice President	85	4.28	0.77	b		
	Specialist	32	3.69	1.03	c	3.54	0.02
	<b>Importance to the Profession</b>						
	Manager	91	4.51	0.57			
	Director	92	4.58	0.62			
	Vice President	85	4.61	0.56			
	Specialist	32	4.59	0.56		0.54	0.65

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>
	Personal Proficiency						
	Manager	91	4.32	0.66			
	Director	92	4.24	0.69			
	Vice President	85	4.29	0.69			
	Specialist	32	4.28	0.63		0.22	0.88
7	Project Management						
	Importance to the Organization						
	Manager	91	3.67	1.05			
	Director	92	3.82	0.90			
	Vice President	85	3.85	0.84			
	Specialist	32	3.53	1.05		1.22	0.30
	Importance to the Profession						
	Manager	91	4.32	0.63			
	Director	92	4.25	0.69			
	Vice President	85	4.18	0.68			
	Specialist	32	4.38	0.66		1.01	0.39
	Personal Proficiency						
	Manager	91	3.91	0.81			
	Director	92	4.02	0.76			
	Vice President	85	4.05	0.71			
	Specialist	32	3.91	0.82		0.64	0.59
8	Quality Process Orientation						
	Importance to the Organization						
	Manager	91	4.09	1.01			
	Director	92	3.72	0.98			
	Vice President	85	4.00	0.87			
	Specialist	32	3.75	1.05		2.64	0.05
	Importance to the Profession						
	Manager	91	4.00	0.76			
	Director	92	3.97	0.78			
	Vice President	85	4.02	0.74			
	Specialist	32	4.13	0.80		0.35	0.79
	Personal Proficiency						
	Manager	91	3.75	0.66			
	Director	92	3.73	0.68			
	Vice President	85	3.88	0.78			
	Specialist	32	3.88	0.75		0.97	0.41
9	Customer Value Creating						
	Importance to the Organization						
	Manager	91	4.35	0.82			
	Director	92	4.47	0.83			
	Vice President	85	4.60	0.64			
	Specialist	32	4.28	0.81		2.06	0.11
	Importance to the Profession						
	Manager	91	4.41	0.67			
	Director	92	4.47	0.73			
	Vice President	85	4.52	0.68			
	Specialist	32	4.31	0.86		0.78	0.51

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>
	<b>Personal Proficiency</b>						
	Manager	91	4.23	0.65			
	Director	92	4.32	0.71			
	Vice President	85	4.35	0.67			
	Specialist	32	4.31	0.78		0.52	0.67
10	<b>Assessment and Evaluation</b>						
	<b>Importance to the Organization</b>						
	Manager	91	3.82	1.02			
	Director	92	3.75	1.02			
	Vice President	85	4.05	0.82			
	Specialist	32	3.75	1.16		1.58	0.19
	<b>Importance to the Profession</b>						
	Manager	91	4.44	0.65			
	Director	92	4.30	0.68			
	Vice President	85	4.36	0.74			
	Specialist	32	4.25	0.80		0.84	0.47
	<b>Personal Proficiency</b>						
	Manager	91	3.87	0.73			
	Director	92	3.93	0.77			
	Vice President	85	4.04	0.81			
	Specialist	32	3.66	0.90		1.95	0.12
11	<b>Compliance</b>						
	<b>Importance to the Organization</b>						
	Manager	91	4.23	0.96			
	Director	92	4.28	0.86			
	Vice President	85	4.31	0.85			
	Specialist	32	4.41	0.71		0.34	0.80
	<b>Importance to the Profession</b>						
	Manager	91	4.74	0.49			
	Director	92	4.75	0.48			
	Vice President	85	4.56	0.73			
	Specialist	32	4.75	0.62		2.21	0.09
	<b>Personal Proficiency</b>						
	Manager	91	4.41	0.67			
	Director	92	4.42	0.63			
	Vice President	85	4.36	0.81			
	Specialist	32	4.13	0.87		1.47	0.22
12	<b>Coaching and Counseling</b>						
	<b>Importance to the Organization</b>						
	Manager	91	3.90	1.02	a		
	Director	92	3.77	1.01	a		
	Vice President	85	4.14	0.79	b		
	Specialist	32	3.53	1.02	c	3.93	0.01
	<b>Importance to the Profession</b>						
	Manager	91	4.44	0.58	a		
	Director	92	4.56	0.54	a		
	Vice President	85	4.51	0.63	a		
	Specialist	32	4.16	0.72	b	3.87	0.01

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>
	Personal Proficiency						
	Manager	91	4.27	0.73			
	Director	92	4.34	0.70			
	Vice President	85	4.39	0.73			
	Specialist	32	4.16	0.85		0.90	0.44
13	Staffing and Retention						
	Importance to the Organization						
	Manager	91	4.15	0.98	a		
	Director	92	4.20	0.90	a		
	Vice President	85	4.36	0.83	a		
	Specialist	32	3.53	1.02	b	6.45	0.003
	Importance to the Profession						
	Manager	91	4.60	0.52			
	Director	92	4.65	0.52			
	Vice President	85	4.62	0.58			
	Specialist	32	4.53	0.67		0.43	0.73
	Personal Proficiency						
	Manager	91	4.14	0.72	a		
	Director	92	4.24	0.56	a		
	Vice President	85	4.32	0.72	a		
	Specialist	32	3.88	0.91	b	3.37	0.02
14	Visioning and Alignment						
	Importance to the Organization						
	Manager	91	3.75	1.11			
	Director	92	3.71	1.06			
	Vice President	85	4.00	0.98			
	Specialist	32	3.60	1.07		1.73	0.16
	Importance to the Profession						
	Manager	91	4.16	0.79			
	Director	92	4.16	0.70			
	Vice President	85	4.15	0.78			
	Specialist	32	4.13	0.71		0.03	0.99
	Personal Proficiency						
	Manager	91	3.64	0.80			
	Director	92	3.77	0.74			
	Vice President	85	3.86	0.87			
	Specialist	32	3.63	0.83		1.37	0.25
15	Partnership Building						
	Importance to the Organization						
	Manager	91	3.46	1.03	a		
	Director	92	3.63	1.11	a		
	Vice President	85	3.88	0.97	b		
	Specialist	32	3.34	1.23	a	3.15	0.03
	Importance to the Profession						
	Manager	91	4.20	0.70			
	Director	92	4.29	0.67			
	Vice President	85	4.26	0.76			
	Specialist	32	4.25	0.67		0.29	0.84

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>
	Personal Proficiency						
	Manager	91	3.79	0.82			
	Director	92	3.96	0.82			
	Vice President	85	3.91	0.85			
	Specialist	32	3.81	0.78		0.71	0.55
16	Performance Management						
	Importance to the Organization						
	Manager	91	3.97	1.04			
	Director	92	3.82	1.02			
	Vice President	85	4.00	0.98			
	Specialist	32	4.00	1.16		0.53	0.66
	Importance to the Profession						
	Manager	91	4.41	0.67			
	Director	92	4.45	0.60			
	Vice President	85	4.32	0.73			
	Specialist	32	4.44	0.84		0.58	0.63
	Personal Proficiency						
	Manager	91	4.01	0.77			
	Director	92	4.14	0.66			
	Vice President	85	4.00	0.85			
	Specialist	32	4.25	0.76		1.38	0.25
17	Process Reengineering						
	Importance to the Organization						
	Manager	91	3.71	0.96			
	Director	92	3.67	1.02			
	Vice President	85	3.87	0.97			
	Specialist	32	3.78	1.10		0.64	0.59
	Importance to the Profession						
	Manager	91	4.00	0.67			
	Director	92	4.01	0.86			
	Vice President	85	3.98	0.82			
	Specialist	32	4.13	0.80		0.29	0.84
	Personal Proficiency						
	Manager	91	3.52	0.78			
	Director	92	3.72	1.00			
	Vice President	85	3.85	0.85			
	Specialist	32	3.56	0.80		2.34	0.07
18	Business Management						
	Importance to the Organization						
	Manager	91	3.79	1.16			
	Director	92	3.87	1.00			
	Vice President	85	4.06	0.93			
	Specialist	32	3.59	1.13		1.84	0.14
	Importance to the Profession						
	Manager	91	4.60	0.53	a		
	Director	92	4.64	0.55	a		
	Vice President	85	4.45	0.72	a		
	Specialist	32	4.19	1.00	b	4.65	0.003

Item	Competency	<i>n</i>	<i>M*</i>	<i>sd</i>	<i>dv</i>	<i>F</i>	<i>p-value</i>
	Personal Proficiency						
	Manager	91	3.98	0.75	a		
	Director	92	4.16	0.73	a		
	Vice President	85	4.22	0.75	a		
	Specialist	32	3.72	0.99	b	4.21	0.01
19	Human Capital Maximization						
	Importance to the Organization						
	Manager	91	3.65	1.05	a		
	Director	92	3.55	1.08	a		
	Vice President	85	4.00	0.95	b		
	Specialist	32	3.28	1.25	c	4.59	0.004
	Importance to the Profession						
	Manager	91	4.35	0.62			
	Director	92	4.42	0.65			
	Vice President	85	4.76	1.16			
	Specialist	32	4.34	0.87		0.59	0.62
	Personal Proficiency						
	Manager	91	3.70	0.72			
	Director	92	3.82	0.74			
	Vice President	85	3.92	0.89			
	Specialist	32	3.56	0.98		1.97	0.12

#### Group Summary Of All Competencies

Importance to the Organization			
Manager	91	3.94	1.01
Director	92	3.92	0.98
Vice President	85	4.15	0.85
Specialist	32	3.79	1.06
Group Average:	300	3.95	0.98
Importance to the Profession			
Manager	91	4.40	0.62
Director	92	4.41	0.65
Vice President	85	4.41	0.71
Specialist	32	4.37	0.73
Group Average:	300	4.40	0.68
Personal Proficiency			
Manager	91	3.98	0.73
Director	92	4.08	0.73
Vice President	85	4.15	0.76
Specialist	32	3.94	0.83
Group Average:	300	4.04	0.76

Note. \*Importance Scale: 1 = Not Important; 2 = Slightly Unimportant; 3 = Neutral; 4 = Important; 5 = Critically Important. \*Proficiency Scale: 1 = N/A; 2 = Low; 3 = Average; 4 = Above Average; 5 = High.



The results of the ANOVAs indicated several significant between-group differences for items 1 through 19 in the analysis of perceptions of importance and personal proficiency. Post hoc testing utilizing Duncan's multiple range test revealed that the HR vice president group rated *Relationship Building* as more important to the organization than did the HR manager, director and specialist groups. This may be a reflection of the less senior groups having fewer interactions with higher level management officials, and would indicate a need for improving lines of communication within the organization.

*Strategic Business Perspective* was another area with significance. For this category, the HR vice president and director groups stood apart from the manager and specialist groups by indicating a higher level of personal proficiency. This may be somewhat expected due to the assumption of seniority and greater responsibility. A similar conclusion may be drawn from the response to personal proficiency with regard to *Change Management*. The results were similar in that the HR manager and specialist groups reported a lower level of proficiency than the HR director and vice president groups.

The category of *Communication and Influence* had a significant result, with the HR specialist group indicating less importance than the other three groups regarding importance to the organization. The assumption here would be that HR specialists have less of a need to exert influence over the organization, and that communications would be more of a routine and administrative nature.

The *Coaching and Counseling* category depicted significant group differences in levels of importance for both the organization and the profession. HR vice presidents placed a higher level of importance on *Coaching and Counseling* in the organizational context, while HR specialists placed a low importance on *Coaching and Counseling* in the professional context.

Specialists also rated the importance of *Business Management* to the HR profession significantly lower than the other three groups. This coincided with a low personal proficiency rating by HR specialist's for the same category.

*Staffing and Retention* was a category with significant difference in both level of importance to the organization and level of personal proficiency. For both of these items, HR specialists had a lower rating in comparison with the other three groups. While HR specialists have traditionally been heavily involved in the mechanics of recruitment, organizational staffing and retention have historically been an important strategic issue for senior level management.

The category of *Partnership Building* showed a significant difference between HR vice presidents and the other three groups, in regard to level of importance to the organization. To a high degree of expectancy, the building of internal business partnerships has become a key component of effective organizational leadership. Opportunity for development and exercise of authority in this competency area tends to coincide with levels of organizational seniority.

A final observation of significant difference that is worth noting is the high level of importance to the organization placed on *Human Capital Maximization* by HR vice presidents in comparison to HR directors, managers, and specialists. This is a trend that is consistent with assigning a higher level of importance on strategic business issues and competency categories, by higher levels of management.

The *F*-statistic for levels of importance in relation to the organization range in value from a low of 0.34 to a high of 6.45 (*p-value* = 0.003). The *F*-statistic for levels of importance in relation to the HR profession range in value from a low of 0.03 to a high of 4.65 (*p-value* = 0.003). The *F*-statistic for levels of personal proficiency range in value from a low of 0.22 to a high of 6.33 (*p-value* = 0.0004).

In comparison of perceived importance across HR groups by category, all of the competencies were rated relatively high across the categories. For all competency categories the mean value was greater than 3.2 on a scale of 1 to 5. The findings indicated that scope and level of practitioner responsibility as represented by job title, is not a significant determinant as to perceived levels of importance or perceptions of personal proficiency.

Perceptions of importance to the organization for all 19 competencies revealed a range of means extending from a low of 3.79 for HR specialists, to a high of 4.15 for vice presidents. Perceptions of importance to the HR profession for all 19 competencies revealed a range of means extending from a low of 4.37 for HR specialists, to a high of 4.41 for directors and vice presidents. Levels of HR practitioner proficiency for all 19 competencies revealed a range of means extending from a low of 3.94 for HR specialists, to a high of 4.15 for vice presidents. The overall findings are generally consistent among all four of the job title groups, with HR vice presidents typically providing higher ratings than HR directors, followed by HR managers, followed by HR specialists.

Perceptions of HR Competency Importance to Professional Success

(Research Question 4)

What are the current perceptions of senior-level HR practitioners regarding level of competency as an influence on professional and personal success in the HR profession? The HR competency categories include: *Change Management, Strategic Planning, Organizational Leadership, Business Knowledge, Legal Compliance, Human Resource Information Systems (HRIS), and Process/Procedure Redesign.*

The data show that of the seven competencies evaluated for importance to *personal* success, *Organizational Leadership* ( $M = 4.37, sd = 0.75$ ) had the highest level of importance, and *Information Systems/HRIS* ( $M = 3.55, sd = 0.93$ ) had the lowest overall level of importance. Of the seven competencies evaluated for importance to *professional* success, *Legal Compliance* ( $M = 4.44, sd = 0.71$ ) had the highest level of importance, and *Process/ Procedure Redesign* ( $M = 3.65, sd = 0.82$ ) had the lowest overall level of importance. All seven of the competencies were ranked relatively high in importance to both personal and professional success, with 73 percent of respondents selecting “4” or “5” which corresponded to the labels of “important” and “critically important.” Only 5 percent of the total responses were at the “1” or “2” level, which corresponded to the labels of “not important” and “slightly unimportant.” Table 16 presents the composite mean ratings of importance to professional and personal success for all respondents.

Table 16

Mean Ratings of Importance to Professional and Personal Success

Item	Competency	<i>N</i>	<i>M</i>	<i>sd</i>
20	Change Management			
	Personal Success	300	3.93	0.87
	Professional Success	300	3.96	0.81
21	Strategic Planning			
	Personal Success	300	3.74	0.90
	Professional Success	300	4.00	0.85
22	Organizational Leadership			
	Personal Success	300	4.37	0.75
	Professional Success	300	4.29	0.79
23	Business Knowledge			
	Personal Success	300	4.17	0.75
	Professional Success	300	4.05	0.83
24	Legal Compliance			
	Personal Success	300	4.31	0.79
	Professional Success	300	4.44	0.71
25	Information Systems / HRIS			
	Personal Success	300	3.55	0.93
	Professional Success	300	3.77	0.82
26	Process/Procedure (workflow) Redesign			
	Personal Success	300	3.68	0.93
	Professional Success	300	3.65	0.82

Note. Importance Scale: 1 = Not Important; 2 = Slightly Unimportant; 3 = Neutral; 4 = Important; 5 = Critically Important

The data used to construct Table 16 was further evaluated to determine three categories of HR perspective in relation to the seven items under investigation: (1) those respondents who perceive a higher importance to the profession than the respondent, (2) those respondents who perceive a higher importance to the respondent than the profession, and (3) the remainder of respondents who made no distinction between the two. Findings are presented in Table 17.

Table 17

Comparison of Importance to Professional and Personal Success

Item	Competency	Responses	
		#	%
20	Change Management		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	79	26%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	70	23%
21	Strategic Planning		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	110	37%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	57	19%
22	Organizational Leadership		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	47	16%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	69	23%
23	Business Knowledge		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	47	16%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	76	25%
24	Legal Compliance		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	64	21%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	40	13%
25	Information Systems / HRIS		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	102	34%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	55	18%
26	Process/Procedure (workflow) Redesign		
	Higher importance to the <i>Profession</i> than the <i>Respondent</i>	62	21%
	Higher importance to the <i>Respondent</i> than the <i>Profession</i>	72	24%

Summary

This chapter presented the comparative study findings related to perceived importance of human resource competencies by HR professionals. Detailed statistical analysis results have been shown. A summary of the interpretations, conclusions, and recommendations are presented in Chapter 5.

## CHAPTER 5

### SUMMARY, CONCLUSIONS, AND IMPLICATIONS

#### Introduction

The intent of this study was to research the factors associated with specific competencies of the HR function and their perceived importance from the perspective of senior-level HR practitioners. To accomplish this task, information was gathered and analyzed with respect to a central theme – what levels of importance do HR practitioners place on strategic level human resource competencies, and how do they rate their levels of proficiency?

Chapters one through four introduced the research questions, reviewed the related literature, described the research methodology, summarized and presented the research data and findings. This chapter will revisit the purpose of the study and then summarize general conclusions that focus on statistical findings and relevant literature related to each of the four stated research questions. This researcher's opinion will be integrated into these conclusions. A special section will be presented concerning the business environment and implications for HR. In conclusion, recommendations for further study will be offered.

#### Purpose of the Study

There was one overarching purpose of this research. The purpose was to verify how senior-level HR practitioners perceived the importance of strategic level HR competencies in relation to their organizations, to the human resources profession, and to their personal levels of competency. The research was conducted in such a manner as to identify competency gaps between their current levels of proficiency and corresponding levels of perceived importance to their organizations and the profession. A second outcome of this study was to determine if there

were significant differences in perceptions regarding the importance of specific competencies among respondents grouped by job title as an indicator of level of seniority and scope of responsibility. A third outcome of this study was to determine the level of importance placed on specific competencies by HR practitioners toward contributing to personal and professional success.

This was a comparative study in that data was gathered on specific competencies from three different perspectives of the respondents. The comparative points of view were based upon personal, organizational, and professional perspectives. Since such data has not previously been gathered under this construct, this study served to identify the demands being placed upon the HR function in order to satisfy the needs of the organization, the profession, and the practitioner. This data is also important because, to date, no studies beyond this foundational study have been conducted to verify perceptions of human resource practitioners from multiple perspectives, multiple levels of professional/organizational responsibility, and under multiple organizational settings. The data is also important because, to date, no studies have been conducted to verify the perceptions of HR practitioners regarding their own levels of competence in relation to perceived professional and organizational importance. Thus, this study provides a basis for a limited assessment of how important competencies are to building strategic business partnerships, and a relative ranking of importance for those competencies based upon realistic (real-world) expectations.

Knowing what competencies are important is useful to HR professionals as they prepare themselves to make important, value-added contributions to their organizations. Value-added contributions can be defined as those HR practices that create and sustain competitive advantage for the organization.



The methodology employed to gather the perceived importance ratings of HR practitioners was use of an assessment instrument, the HR Professional Competency Survey (HR-PCS). By utilizing this investigative method, it was possible to gather information on both the content and context of the demands being placed on the HR function; to evaluate the perspective of what areas require action (action-oriented); and in what order of importance. Data analysis consisted of multiple steps. The questionnaires were coded and an Excel database, as part of Microsoft Office software, was used for initial data sorting. The Statistical Package for the Social Sciences (SPSS), Version 9.0, was used for data analysis. For purposes of describing the population and evaluating ratings of importance, descriptive statistical methods were used. The descriptive statistics used in this study included populations, means, and standard deviations. Analysis of Variance (ANOVA) was used to determine if selected independent variables were significantly related to the dependent variables of the study. The *F* test was used in this ANOVA. An alpha of .05 was used to determine the degree of confidence in findings. Post hoc analysis was also conducted to further validate the findings. Statistical significance was found among the perceived importance ratings across all competency categories.

In the following sections, findings of the study, relevant literature, and interpretation of data will be presented. Findings will include a ranking of competency categories with most and least important specific questions from the HR-PCS questionnaire. Selections from available related literature will be compared to the overall findings to derive conclusions regarding perceptions of importance.

### Summary of Findings and Conclusions Related to Research Question 1

What are the current perceptions of senior-level HR practitioners regarding the level of importance of professional competencies? The HR competencies were grouped into five general categories: *Character Attributes (Q1-3)*; *Leadership & Influence (Q4-6)*; *Management/Functional Skills (Q7-13)*; *Level Specific— Senior-Level Executive (Q14-16)*; and, *Role Specific — HR Strategist (Q17-19)*. The data related to the respondents' perceptions regarding the importance of each of the 19 specific competencies in relation to organizational importance, professional importance, and level of personal proficiency.

The first research question addressed the perceived importance of 19 competencies in relation to the *organization*. All of the 19 competencies were rated relatively high in importance by respondents. The highest rated competency was *Relationship Building (M = 4.38)* and the lowest rated competency was *Business Process Reengineering (M = 3.68)*. The Likert-scale for importance had a range of 1 to 5, with 3 indicating "neutral," 4 indicating "important," and 5 indicating "critically important." The order of descending importance for organizational competencies for all respondents is *Relationship Building; Legal Compliance; Coaching and Counseling; Customer Value Creating; Tolerance for Stress, Ambiguity, and Change; Communication and Influence; Staffing and Retention; HR Business Support; Continuous Learning; Performance Management & Empowerment; Project Management; Change Management; Assessment & Evaluation (Problem Solving); Strategic Business Perspective; Internal/External Partnership Building; Quality Orientation & Continuous Improvement; Human Capital Management; Visioning and Alignment*; and, *Business Process Reengineering*.

It can be concluded from these findings, that the responding HR practitioners perceive all 19 of the competencies identified in the HR-PCS instrument to be important considerations in

meeting the organization's expectation of the HR function. However, respondents did not perceive certain key strategic and senior-level competencies to be as important for HR professionals in comparison to other "core" competencies, and include *HR Business Support* ( $M = 4.08$ ), *Performance Management and Empowerment* ( $M = 4.07$ ), *Internal and External Partnership Building* ( $M = 3.88$ ), *Human Capital Management* ( $M = 3.79$ ), *Visioning & Alignment* ( $M = 3.74$ ), and *Business Process Reengineering* ( $M = 3.68$ ).

The first research question also addressed the perceived importance of 19 competencies in relation to the HR profession. All of the 19 competencies were rated relatively high in importance by respondents. The highest rated competency was *Relationship Building* ( $M = 4.71$ ) and the lowest rated competency was *Quality Orientation and Continuous Improvement* ( $M = 4.01$ ). The Likert-scale for importance had a range of 1 to 5, with 3 indicating "neutral," 4 indicating "important," and 5 indicating "critically important." The order of descending importance for professional competencies for all respondents is *Relationship Building; Legal Compliance; Staffing and Retention; Communication and Influence; HR Business Support; Human Capital Management; Continuous Learning; Tolerance for Stress, Ambiguity, and Change; Coaching and Counseling; Customer Value Creation; Change Management; Performance Management & Empowerment; Assessment & Evaluation; Strategic Business Perspective; Project Management; Internal and External Partnership Building; Visioning and Alignment; Business Process Reengineering; and, Quality Orientation & Continuous Improvement*.

It can be concluded from these findings that the responding HR practitioners perceive all 19 of the competencies identified in the HR-PCS instrument to be important considerations in meeting expectations within the HR profession as a whole. However, respondents did not

perceive certain key strategic and senior-level competencies to be as important for HR professionals in comparison to other “core” competencies identified in the HR competency framework (Appendix D), and include *Performance Management and Empowerment* ( $M = 4.40$ ), *Internal and External Partnership Building* ( $M = 4.16$ ), *Visioning & Alignment* ( $M = 4.16$ ), and *Business Process Reengineering* ( $M = 4.01$ ).

By comparing the findings for both *organizational* and *professional* levels of importance, it is evident that HR competencies are collectively perceived to have a higher level of importance to the profession when compared to respondents’ organizations. This supports the first hypothesis posited in Chapter 3. A review of individual HR-PCS questionnaires revealed that this general perception held true not only collectively for the sample group, but also on an individual case-by-case basis. Therefore, the findings are believed to be reasonably representative across all organizations regardless of size, industry, or level of practitioner activity. A review of the literature and empirical evidence from previous studies support these findings.

In response to changes in the business environment, organizations are flattening, relying more on self-managed teams, becoming highly matrixed, and are otherwise reconfiguring the structure and nature of work (Ashkenas, Ulrich, Jick, & Kerr, 1995). Accompanying these changes has been a growing concern that traditional procedures may be unable to continue to play a central role in the new human resource management environment (Barnes-Nelson, 1996; Sanchez, 1994). It is with this backdrop that the practice of competency modeling has exploded onto the field of human resources over the past several years. Today, surveys of competency-based practice indicate that between 75 percent (Cook & Bernthal, 1998, based on a survey of 292 organizations), and 80 percent (American Compensation Association, 1996, based on a

survey of 426 organizations), of responding companies have some competency-driven applications currently in place to enhance organizational effectiveness and survivability.

The HR competency framework used in this study provides a comprehensive and individualized success profile for the HR professional. Utilizing an HR competency framework, practitioners can identify and select the appropriate competency areas that are required for success in the role they fill within their individual organizations. “In the future, HR professionals will have to do more; they must find new ways to add value as defined by multiple stakeholders” (Ulrich, 2001, p. 18). Through a systematic self-evaluation and organizational assessment, competencies can be rated as to level of importance (and priority) for continued personal development and the strengthening of a sound strategic business partnership.

#### Summary of Findings and Conclusions Related to Research Question 2

Are there identifiable gaps between HR practitioner personal competency levels and corresponding levels of perceived importance in relation to their organization and the HR profession as a whole? The HR competencies were grouped into five general categories: *Character Attributes* (Q1-3); *Leadership & Influence* (Q4-6); *Management/Functional Skills* (Q7-13); *Level Specific — Senior-Level Executive* (Q14-16); and, *Role Specific — HR Strategist* (Q17-19). The data relate to the respondent’s perceptions regarding the importance of each of the 19 specific competencies in relation to organizational importance, professional importance, and level of personal proficiency.

A review of the data revealed that each of the 19 competencies exhibited an identifiable gap. In support of the second research hypothesis posited in Chapter 3, by comparing levels of personal proficiency with corresponding levels of importance of competencies within their

organizations and the HR profession as a whole, it was possible to detect differences (gaps). Assurances of anonymity and a comparative analysis of the data were used to limit respondent bias that often accompanies self-ratings such as with measures of personal proficiency (Wright, Moynihan, Park, & Jeong, 2001).

All competencies indicated a greater frequency in the occurrence of “professional gaps” in comparison to “organizational gaps,” with the exception of *CI/Quality Orientation* and *Customer Satisfaction/Value*. Considering all of the 19 competencies collectively, the findings suggest that respondents generally perceive themselves to have a higher degree of competency within their individual organizations than in comparison to the HR profession as a whole. This is supported by the finding that competency gaps occur less frequently in the organizational context. This also suggests that HR practitioners believe there to be higher expectations in level of competency from the HR profession as a whole, than from the perceived expectations of their individual organizations. In such cases, respondents are likely to have a false sense of security or level of comfort within the scope of their current employment. A logical consequence of such an assumption would be for practitioners to believe themselves sufficiently competent in their current HR roles, bolstered by the knowledge that no individual is capable of mastering every competency.

In support of the third research hypothesis posited in Chapter 3, an analysis of the data for all 19 competencies revealed that respondents collectively characterize their own levels of personal proficiency as being “higher” than the corresponding importance of competencies within their *organizations*. Conversely, and in support of the fourth research hypothesis posited in Chapter 3, analysis for the same 19 competencies revealed that collectively, respondents characterize their own levels of personal proficiency as being generally “lower” than the

corresponding importance to the HR *profession* as a whole. Once again, this points to the belief that HR practitioners view themselves as competent within the scope of their own employment, though realizing that by comparison, the HR profession must certainly be held to a higher standard.

Competency gap analysis was further evaluated by differentiating the data according to respondents' job title, i.e., manager, director, vice president, and specialist. This presented an opportunity to evaluate the data as a measure of agreement, or disagreement among the four sample groups. The range of responses expressed as a percentage for each competency in relation to the *organization*, vary from a low of two percentage points difference for *Project Management* (19 percent to 21 percent), to a high of 17 percentage points (35 percent to 52 percent) for *Strategic Business Perspective*. The mean range in organizational gap of all 19 competencies was 10.2 percent.

The range of responses expressed as a percentage for each competency in relation to the *HR profession*, vary from a low of five percentage points for *Continuous Learning* (38 percent to 43 percent), to a high of 30 percentage points (26 percent to 56 percent) for *Compliance*. The mean range in professional gap of all 19 competencies was 17.1 percent. By comparing the overall variation in gaps by organization and profession, it is clear that there is greater agreement among the four groupings of respondents in reference to the organization.

Of the 91 HR Managers, it was determined that only one out of every eight respondents was fully-proficient with reference to organizational expectations (1:8.27). The findings for HR directors revealed that only one in nine respondents fully met organizational expectations (1:9.20). The findings for HR vice presidents and specialists show that the number of respondents that fully met their individual organizational expectations was one in six (1:5.73),

and one in thirty-two (1:32), respectively. Given full consideration, these findings can be reasonably construed as representative of the HR profession as a whole, and should thus provide additional impetus for HR practitioners to evaluate their personal competency levels within the context of their own employment.

A review of the literature relating to competency gaps, support the notion that competencies work best when used to clarify performance expectations in a rapidly changing and dynamic work setting. Gratton (2000) recognized that understanding and identifying gaps between future aspirations and the realities of present capabilities should underscore HR's performance management. Applying competencies in an assessment process, as indicated by Wellins & Byham, 2001), can help HR professionals and their organizations to specify desirable performance goals. Attainment of target performance can then be achieved through the reduction of predetermined gaps, with progress measured over time. All things considered, clearly defined performance standards associated with desired competencies are key to planning effective long-term intervention strategies.

Effective management of human resources, as pointed out by Darrow (2000), is necessarily strategic. Human capital is not a cost to be minimized, but a strategic asset to be enhanced (Walker, 2001). There are three critical components to building, maintaining, and marshaling the human capital needed to achieve results: (1) adopting a strategic approach to human capital planning, (2) acquiring and developing the skills to meet critical needs, and (3) creating a performance oriented organizational culture that delivers results (Tyler, 2001). In an era of employee self-direction and responsibility, competency-based management is an evolving core strategy that can be used to fill the HR competency gap. As recognized by Greengard



(1999) and others, competency management is gaining in popularity in HR development programs designed with emphasis on competencies rather than specific job skills.

Mobilizing and accelerating the development of human capital is becoming the most critical factor in the success of all organizations. However, it is not yet clear what roles human resource practitioners will play in managing the structure, process, and people requirements of organizations. They can, however, manage their own competencies once areas in need of improvement have been identified. If efforts to transform the human resource departments are done well, human resource professionals can attain more strategic importance as organizational partners who leverage human capital and expert knowledge for competitive advantage. HR professionals need to take the lead and responsibility in proactively transforming the profession.

If HR practitioners hope to attain and retain the status of a full strategic partner, they must “(1) earn the respect of line management and senior management; (2) be business-oriented and bottom-line focuses; (3) be visionary and anticipatory; and (4) be competent, both professionally and technologically” (Micolo, 1993, p.22). Lipiec (2001), makes the same observations, and emphasizes trends that are taking shape in market, demographic, social, and management changes that are leading to a “precise” role of HR managers in the future.

In a study conducted to examine the roles that HR professionals play to help make a firm more competitive and effective, an analysis was carried out of 256 mid- to upper-level HR executives. The findings of the study were reported in an article published in *Human Resource Planning* (Conner & Ulrich, 1996). The survey instrument, using a five-point Likert-type scale, contained 70 items developed around four key roles outlined by Ulrich (1993). As expected, the resulting scores were higher for the employee champion and administrative expert roles and

lower for the strategic partner and change agent roles. This is consistent with the traditional human resource roles. The lowest score was the strategic partner role.

Individually and collectively, for every competency identified in the first nineteen questions of the HR-PCS questionnaire, the overall consensus among respondents was to rate the organizational perception of importance lower than that for the profession. And, the respondent collective consensus is to consistently rank personal proficiency lower than the corresponding level of importance to the profession. Thus indicating a pervasive gap in competency levels.

Competencies provide specific criteria for aligning personal behavior with organization strategy and generating a framework for self-directed learning. Utilizing a similar methodology as that employed by the HR-PCS can help to identify areas where a person is strong or needs development with respect to individual competencies. Gaps can be identified and appropriate developmental actions can be taken. This type of analysis would help to focus developmental resources both individually and collectively.

### Summary of Findings and Conclusions Related to Research Question 3

Do senior-level HR practitioners (managers, directors, vice presidents, and specialists), share a consensus of opinion regarding perceptions on the importance of specific competencies in relation to their organization and the HR profession as a whole? Or, is there a significant difference in perceptions of importance? The HR competencies were grouped into five general categories: *Character Attributes; Leadership & Influence; Management/ Functional Skills; Level Specific — Senior-Level Executive; and Role Specific — HR Strategist*. The data related to the respondent's perceptions regarding the importance of each of the 19 specific competencies in relation to organizational importance, professional importance, and level of personal

proficiency. For this analysis, job title was selected to distinguish among the various HR practitioners by level of seniority and scope of responsibility within their organizations.

In the grouped-by-title comparison of perceived importance, all 19 of the competencies were rated relatively high. The results of the ANOVAs indicated that there were no significant between-group differences for the competencies under investigation. For the 19 competencies in relation of importance to the “organization,” the mean values among groups by *Manager* ( $M = 3.94$ ), *Director* ( $M = 3.92$ ), *Vice President* ( $M = 4.15$ ), and *Specialist* ( $M = 3.79$ ), revealed no significant difference. The standard deviation of all 19 competencies for non-grouped analysis was  $sd = 0.23$ , and for the grouped-by-title analysis used in ANOVA the  $sd = 0.29$ . Among the individual competencies in relation to the organization, *Human Capital Maximization* exhibited the greatest level of disagreement among job title groups ( $M = 3.28$  to  $4.00$ , and between-group  $sd = 0.30$ ).

For the 19 competencies in relation of importance to the “profession,” the mean values among groups by *Manager* ( $M = 4.40$ ), *Director* ( $M = 4.41$ ), *Vice President* ( $M = 4.41$ ), and *Specialist* ( $M = 4.37$ ), revealed no significant difference. The standard deviation of all 19 competencies for non-grouped analysis was ( $sd = 0.21$ ), and for the grouped-by-title analysis used for ANOVA was ( $sd = 0.20$ ). Among the individual competencies in relation to the profession, *Business Management* exhibited the greatest level of disagreement among job title groups ( $M = 4.19$  to  $4.64$ , and between-group  $sd = 0.20$ ).

The findings indicated that level of authority and scope of responsibility as represented by job title, is not a significant determinant of perceived levels of competency importance to the organization or the HR profession as a whole. This indicates that senior-level HR practitioners (managers, directors, vice presidents, and specialists) generally share a common consensus of

opinion regarding perceptions on the importance of specific competencies in relation to their organization and the HR profession. Among the groups, HR specialists were, however, found to more frequently place a lower level of importance across all 19 competencies, while HR vice presidents were found to more frequently place a higher level of importance across all competencies. The same held true with ANOVA results for levels of personal proficiency among all 19 competencies.

This researcher also made an enlightened observation during computation of the ANOVAs among order of job-title group responses within individual competencies. During the comparison of importance of competencies to the organization, it was discovered that there was a particular recurring pattern in level of importance in the order of vice presidents, followed by directors, managers, and specialists for seven competencies (Q5-7, 9, 13, 15, and 18). A similar recurring pattern in the order of vice presidents, followed by managers, directors, and specialists occurred in six competencies (Q3, 4, 10, 12, 14, and 19). The greatest recurring pattern occurred in the evaluation of ANOVAs with regard to personal levels of proficiency. The pattern appeared in the order of vice-presidents, followed by directors, managers, and specialists for 10 competencies (Q3-5, 7, 10, 12-14, 18, and 19). Similar patterns did not appear during the evaluation of ANOVAs regarding importance to the HR profession, thus indicating less agreement among job-title groups regarding perceptions of the HR profession as a whole. Overall, it may be possible to equate a measure of distinction among job-title groups regarding perceptions of importance and personal levels of proficiency. Although the average means were typically very close within all of the 19 competencies, indicating a consensus of opinion, it can still be posited that HR vice presidents and directors generally place a higher level of importance

on competencies than HR managers and specialists at the senior-level HR strategist level of analysis.

#### Summary of Findings and Conclusions Related to Research Question 4

What are the current perceptions of senior-level HR practitioners regarding levels of competency as an influence on professional and personal success in the HR profession? The HR competency categories include: *Change Management, Strategic Planning, Organizational Leadership, Business Knowledge, Legal Compliance, Human Resource Information Systems (HRIS), and Process/Procedure Redesign.*

The data show that of the seven competencies evaluated for importance to “personal success,” *Organizational Leadership* ( $M = 4.37$ ), and *Legal Compliance* ( $M = 4.31$ ), had the highest ratings of importance. *Process & Procedure* ( $M = 3.68$ ), and *Information Systems/HRIS* ( $M = 3.55$ ), had the lowest levels of importance. Of the seven competencies evaluated for importance to “professional success,” *Legal Compliance* ( $M = 4.44$ ), and *Organizational Leadership* ( $M = 4.37$ ), again held the highest levels of importance. *Information Systems/HRIS* ( $M = 3.77$ ), and *Process/Procedure Redesign* ( $M = 3.65$ ) likewise had the lowest levels of importance. All seven of the competencies were ranked relatively high in importance to both personal and professional success, with 73 percent of responses indicated as either “4” or “5” which corresponded to the labels of “important” and “critically important.” Only 5 percent of the total responses were at the “1” or “2” level, which corresponded to the labels of “not important” and “slightly unimportant.”

Based upon these findings, the majority of senior-level HR practitioners represented by this study, equate a presumptive level of competency importance to the HR profession in general,

commensurate with the degree of success in their own personal experience. This implies that senior-level HR professionals, to some extent, lack knowledge of strategic HR concepts beyond the scope of their own personal experience. In other words, that which is thought to be important to the profession is attributed, by and large, to individual personal success. To a degree, this imposes a certain bias upon the unacquainted or unenlightened practitioner who may be trapped in a more traditional, administrative role within their organization, or lack the inclination to expand their professional knowledge of HR. This would explain the absence of strongly divergent perceptions, and is supportive of the fourth research hypothesis posited in Chapter 3. Results of this study indicated that over half of the respondents (53 percent) rated competencies with equal importance.

Reviewing literature related to changes and transformations requiring new human resource strategies, Gratton (2000) emphasized the need for creating a role as strategic business partner and change agent. Many commentators believe that we are witnessing a paradigm shift in HR as emphasis moves from financial to technological to human capital maximization through the use of competency models. Changes and transformations require new human resource strategies, structures, and processes, as well as a range of new roles and competency capabilities.

In order to build a strategic business perspective, the HR professional must identify and address the critical needs of the organization, overall business, and industry (Cheddie, 2001). This would include the continuous development of ideas for leveraging human resources for competitive advantage, and maintaining a focus on future business opportunities and obstacles, e.g., "SWAT" analysis. The strategic approach to the management of human capital emerges through dialogue and discussion, through processes in which managers imagine and visualize the future (Gratton, 1998). Indicators of success would develop over time through the evaluation of

change efforts and the development of new strategies for renewing and intensifying change initiatives. Over time, the HR professional will develop strategic business skills that will enable sound decision-making based upon limited, complex, or conflicting information.

Senior-level HR managers and executives have a key role in promoting and encouraging strategic human resource management. Indeed, a fundamental component of human resource management accountability is the link between the organization's strategic goals and their human resource goals and systems. Nevertheless, there is still a long way to go if HR is to become a strategic partner at all levels. To do so, HR needs to build its own internal competencies to deal with organizational issues, educate itself on business and program missions, and find ways to offer creative and innovative solutions to organization-wide issues. Strategy has become an integral part of the way in which human resource organizations carry out their business.

### General Conclusions and Implications

This comparative study centered on HR practitioners' perceptions of importance of HR competencies. Compared to other competency studies, it was concluded that there is broad recognition of a need for continuing action. In general, the human resource profession places relatively equal importance on all strategic-level HR competencies. However, within an organizational setting, certain competencies may be identified as having greater importance than others. And yet, HR practitioners must also become generalists rather than specialists, prompted by requirements to perform a wide variety of duties in less time with fewer resources.

From this comparative study it was found that the importance of competencies required by the HR function is relatively consistent among various industries, organizational sizes, and functional scope of responsibilities. More specifically, this study found that HR professionals

need to have stronger management and leadership skills, develop a strategic management perspective, remain functionally competent in HR, and develop internal consulting skills. These include: developing corporate culture to enhance strategy and organizational development, aligning education and development programs to business requirements, designing incentive plans that motivate people and drive company goals, and providing creative solutions for business managers. Ultimately, the common thread of potential value delivery by the HR function to organizations centers on the development of influence and knowledge capital. This knowledge capital can be thought of as the collective economic value of an organization's workforce.

This study has investigated the problems associated with the changing role of the HR function. It has also developed effective methodology and viewed statistical findings related to perceptions of the importance of HR competencies that may resolve important HR issues. In an even further analysis, this study presented an exhaustive review of literature of other studies to lend insight for comparison and substantiation of similar findings. As evidenced by this study, benefits to the human resource profession are certain to be realized through continued research within the realm of human resource competencies and the building of strategic business partnerships.

### Implications for Business and HR

At the beginning of this study, a number of key trends that are facing business in the future were identified. These trends include: changing technology, increasing globalization, continuing cost containment, increasing speed in market change, growing importance of



knowledge capital, and increasing rate and magnitude of change (Rothwell, 1996). The implications affect HR with regard to both the internal and external environment

As determined by research, “it is now a leading organizational strategy to apply competencies in all major HR areas, including recruitment, selection, assessment, development, appraisal, and rewards” (Andersen, Schoonover & SHRM, 2000, p. 2). The human resource field demands a broad range of personal qualities and skills. The growing diversity of the workforce requires the ability to work with or supervise people with various cultural backgrounds, levels of education, and experience. HR must be able to cope with conflicting points of view, function under pressure, and demonstrate discretion, integrity, fair-mindedness, and congeniality, while maintaining the highest level of integrity and credibility.

Organizations can no longer rely on management paradigms such as product focus, command and control management practices, or a concentrated domestic vision. The organizations of the past depended heavily upon size, specialization, structure, and control to be successful. These organizations, when faced with today’s dynamic trends, will find it difficult to successfully deal with the quick response time required to create and maintain competitive advantage. Also in the past, businesses faced with incremental changes in the marketplace either realigned resources or added more resources to deal with the change. Those days have long expired.

In light of dynamic trends facing business today and in the future, the need for different approaches to resource utilization becomes apparent. This changing and very competitive environment demands that businesses better leverage the human assets of their organizations. This calls for innovation and creativity in searching for ways to increase productivity, focus on delivering quality in products and services, and satisfy the needs of their customers. In order to

be successful in the new environment, businesses must be market-focused, flexible, and leverage information quickly across the organization. Knowledge capital and the proper allocation of knowledge resources are essential for success. What then are the implications for the HR function?

As indicated by the findings of the HR-PCS used in this study, the priority of focus for HR professionals should be the continued training and development in competency areas that identify significant gaps. The study also showed a need for human resource practitioners to develop better communication skills in order to be more effective in leading their organization. Surprisingly, there were also indications of "disconnection" between levels of importance and self-reported levels of personal competency. Findings consistently indicated high levels of competence in corresponding areas with high levels of importance, and lower levels of competence in corresponding areas of low importance. Self-rated responses that yield skewed and inflated results are indicative of a population that does not readily acknowledge their own deficiencies. The disconnection identified by this group of respondents occurred with most frequency among the senior-level HR vice presidents and directors, than for HR managers and specialists. If these startling findings are accurately representative of the larger population of human resource professionals, HR itself will be to blame for stifling its own advancement.

Knowledge capital development will be the quintessential element for building internal relationships and translating understanding of needs to solution-based products and services. In addition, knowledge capital could serve as an impetus for understanding the impact of other trends facing the organization and therefore solidify related change efforts. This was evidenced in this study by the importance of competencies related to understanding corporate culture. Developing education and development plans, designing incentive plans, and providing creative

solutions. The implication for the HR function is the realization of constant change. Therefore, HR must take a strategic, operational, and measured approach to the delivery of its services. It must combine technical expertise into effective leadership skills and a comprehensive understanding of the business in order to deliver meaningful measurable results.

### Recommendations for Future Research

The findings from this study have interesting implications for the development of new literature in the human resources field, for additional research on strategic human resource management, and for current HR practitioners at any professional level. From a research perspective, these findings suggest numerous useful directions for future investigation. Specific recommendations include the following.

(1) This research focused on the perceptions of a specific audience of HR professionals that was not selected by purely random sampling procedures. Therefore, the findings of this study are somewhat limited by this fact. The findings of this study could be compared to an even broader audience to include other business professionals and junior level HR practitioners to gain additional insight.

(2) This study ranked only the perceptions of HR practitioners concerning the importance of human resource competencies. Other populations working within organizations could lend valuable insight from their perspective. Therefore, other groups of people working within organizations such as front-line employees, managers, Chief Executive Officers (CEOs), etc., could be surveyed for perceptions on importance of HR competencies.

(3) This study used descriptive statistical analysis to provide findings related to perceived importance of HR competencies. Other methodology would prove useful in further investigating

the potential value the HR function can bring to organizations. Therefore, other methodologies could be used in proving additional information concerning the value-added relationship the HR function has with the organization it serves.

(4) This was a comparative study involving HR practitioner rankings of the importance of HR competencies. It may be possible that this same population could be studied again in the future. As such, follow-up studies could be performed at prescribed timeframes to continue to enhance the findings from the original investigation.

(5) This study focused on how HR practitioners perceived the importance of certain HR competencies. Other groups of individuals within organizations could also be studied in an attempt to define value in their business operations.

(6) Competencies were identified in this study as having contribution to professional success. Conclusions were made concerning their impact on linking strategy with success results through HR performance. A compliment to this study could be an investigation of how competencies are actually being used to link strategy with results.

### Summary

This study was based on research gathered from HR thought-leaders and professionals of the period. The use of the HR-PCS questionnaire and its findings have proven worthy for providing insight into the importance of competencies required of the strategic HR function. From the perspective of HR professionals, the competency categories presented in this instrument have all been important, and will continue to be of importance in the future. Demands call for HR to begin immediately, to rank in accordance of importance to development, the competencies required of them by their constituents. In summary, the management of HR

competencies is future oriented, involves workforce planning, is measurable, involves major investments, is aligned with the strategic business plan, and an integral component of the core organizational mission and vision. HR competencies emphasize people as an asset to be developed. This makes the HR function part of an organization's strategic focus and creates the opportunity for the HR executive to become an essential and highly valued strategic business partner.

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**APPENDIX A**  
**INVITATION TO PARTICIPATE**

**APPENDIX A****INVITATION TO PARTICIPATE**

**Dear HR Professional:**

**I am conducting a study of human resource management competencies as part of my Ph.D. program in Human Resource Management at the Graduate School of the Union Institute, Cincinnati, Ohio. Information gained from this research project will help to increase our general understanding of the human resource management function as well as future development of HR as a profession.**

**Participation consists of a short survey that I will provide to you once I receive your consent to participate (an affirmative response to this e-mail). Your involvement will require about 20-30 minutes of your time. A copy of the research summary and findings will be made available to you upon request.**

**I am not aware of any risks involved in participation of this project. In fact, it should be an enjoyable experience for you. You will be identified by case number and not by name. All responses will be confidential, and your name will not be used in any report regarding this project. You are free to decline to participate or to withdraw at any time.**

**Surveys will be sent as an e-mail attachment in MS Word format. Or, If you prefer a paper copy of the survey, please provide your mailing address or fax number with your response. Questions regarding this research project may be directed via the contact information listed below.**

**Please indicate your willingness and consent to participate by responding to this e-mail:**

**Sincerely,  
Barry Sternberger, SPHR**

**APPENDIX B**  
**RESPONSE TO INVITATION TO PARTICIPATE**



**APPENDIX B**

(Survey Cover Sheet)

**RESPONSE TO INVITATION TO PARTICIPATE****INSTRUCTIONS FOR SURVEY COMPLETION**

**Thank You For Agreeing to Participate In This Study.**

**There are two methods to complete this survey:**

**Method #1: Print this e-mail attachment on your local printer, then complete and return by mail.**

**Method #2: Complete the survey on your computer and return as an attachment.**

**INSTRUCTIONS FOR SURVEY RETURN**

**1) By e-mail:**

**Method #1: Transfer your "numerical" answers to the answer sheet at the end of the survey and e-mail as an attachment.**

**Method #2: Mark your answer on the survey displayed on your computer and return the document with the indicated changes via e-mail.**

**2) By postal mail:**

**Return the completed survey (or answer sheet), to the following address:**

**APPENDIX C**

**HR PROFESSIONAL COMPETENCIES SURVEY**

## APPENDIX C

**HR PROFESSIONAL COMPETENCIES SURVEY (HR-PCS)**

**PURPOSE:** The purpose of this survey is to make an original contribution to knowledge in pursuit of the development of Human Resources as a profession. Completion of this survey is your consent to participate.

Please return the completed questionnaire by one of the following means:

- E-mail:

- Mail:

**Definition:** Competencies focus on superior performance and encompass critical success factors, including the key traits, work motives, and excellent application of technical knowledge and skills.

**Fill In The Circle Answer Key:****Importance Scale**

- ① Not Important  
 ② Slightly Unimportant  
 ③ Neutral  
 ④ Important  
 ⑤ Critically Important

**Personal Proficiency**

- ① Not Applicable  
 ② Low  
 ③ Average  
 ④ Above Average  
 ⑤ High

**DIRECTIONS:** Using the above answer key, rank each of the following HR competencies in relation to importance: 1) in your organization; 2) to the HR profession in general; and, 3) your current personal level of proficiency in the specific competency area.

CHARACTER ATTRIBUTES	Importance In Your Organization		Importance To The HR Profession		Your Personal Proficiency	
	Low	High	Low	High	Low	High
0. <i>Example</i>	① 2 ● ④ ⑤		① 2 ③ ④ ●		① ● ③ ④ ⑤	
1. Relationship Building <i>Developing positive relationships by making others feel their concerns and contributions are important.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
2. Continuous Learning <i>Proactively seek performance feedback and identify approaches to improve own and others performance and learning.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
3. Tolerance for Stress, Ambiguity, and Change <i>Demonstrating flexibility in applying different approaches to changing work demands.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
<b>LEADERSHIP &amp; INFLUENCE</b>						
4. Strategic Business Perspective <i>Identifying and addressing the critical needs of the overall business.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
5. Change Management <i>Ability to generate innovative ideas and apply best practices to ensure positive impact of key initiatives.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
6. Communication & Influence <i>Creating a team environment in which information flows freely and decision making is a win-win philosophy.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
<b>MANAGEMENT / FUNCTIONAL</b>						
7. Project Management <i>Planning and implementing HR projects, programs, and product development efforts.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
8. Quality Process Orientation <i>Constant focus on the continuous improvement of products, services and processes.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	
9. Customer Value Creation <i>Responding to customer needs in a manner that provides added value and generates significant customer satisfaction.</i>	① 2 ③ ④ ⑤		① 2 ③ ④ ⑤		① 2 ③ ④ ⑤	

- |  | Importance<br>In Your<br>Organization |      | Importance<br>To The HR<br>Profession |      | Your<br>Personal<br>Proficiency |      |   |   |   |   |   |   |   |   |   |
|--|---------------------------------------|------|---------------------------------------|------|---------------------------------|------|---|---|---|---|---|---|---|---|---|
|  | Low                                   | High | Low                                   | High | Low                             | High |   |   |   |   |   |   |   |   |   |
| 10. Assessment, Evaluation, and Measurement Skills<br><i>Ability to determine needs, diagnose &amp; address problems and monitor progress with important initiatives and activities.</i> | 1                                     | 2    | 3                                     | 4    | 5                               | 1    | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 11. Compliance<br><i>Apply key legal precedents, policies, and practices to protect the interests of the organization and employees.</i>   | 1                                     | 2    | 3                                     | 4    | 5                               | 1    | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 12. Coaching & Counseling<br><i>Providing advice, feedback, and development resources to improve the effectiveness of individuals and teams.</i>   | 1                                     | 2    | 3                                     | 4    | 5                               | 1    | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 13. Staffing & Retention<br><i>Providing the advice and support required to select and retain appropriate job candidates.</i>  | 1                                     | 2    | 3                                     | 4    | 5                               | 1    | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |

**LEVEL-SPECIFIC**

- |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 14. Visioning and Alignment<br><i>Creating and communicating a vision of the organization that inspires and aligns the workforce.</i>                                     | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 15. Partnership Building<br><i>Generating alliances with internal &amp; external partners to enable the HR function to supply best products and services.</i>             | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 16. Performance Management (Developing Employees)<br><i>Actively supporting an organizational culture that maximizes individual and team empowerment and performance.</i> | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |

**ROLE-SPECIFIC**

- |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 17. Business Process Reengineering<br><i>Simplifying strategies, structures and processes; applying technology to improve organizational competitiveness.</i> | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 18. Business Management<br><i>Ensuring that HR products and services support the overall business goals.</i>  | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |
| 19. Human Capital Maximization<br><i>Developing methods for building, mobilizing and evaluating the organizations human assets.</i>                           | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 | 1 | 2 | 3 | 4 | 5 |

**(Questions 20-26) Using the "Importance Scale" rate each question on importance to: 1) Practitioner success in the HR profession 'in general' and 2) your own personal success in HR.**

- |   | In General |      | In Your Experience |      |   |   |   |   |   |   |
|---|------------|------|--------------------|------|---|---|---|---|---|---|
|   | Low        | High | Low                | High |   |   |   |   |   |   |
| 20. Change Management (leading organization change initiatives)   | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |
| 21. Strategic Planning (HR strategy development)                  | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |
| 22. Organizational Leadership (working with operating management) | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |
| 23. Business Knowledge  | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |
| 24. Legal / Compliance  | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |
| 25. Information Systems / HRIS                                    | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |
| 26. Process & Procedure Redesign (workflow)                       | 1          | 2    | 3                  | 4    | 5 | 1 | 2 | 3 | 4 | 5 |

**(Questions 27-32) Rank from 1-6 the activities that consume the greatest amount of your time. "1" indicates the most time consuming activity.**

- |  |  |
|--|--|
| 27. ___ HR Planning/Reporting            | 28. ___ Employee/Labor Relations               |
| 29. ___ Compensation and Benefits Issues | 30. ___ Employee Training & Development Issues |
| 31. ___ Policy Development               | 32. ___ Legal Compliance Issues                |

33. Gender?     Male     Female
34. Type of Organization?
- |  |   |                                     |
|--|---|-------------------------------------|
| <input type="radio"/> Professional / Business Services | <input type="radio"/> Financial / Insurance       | <input type="radio"/> Education     |
| <input type="radio"/> Technology / Telecommunications  | <input type="radio"/> Health Services             | <input type="radio"/> Manufacturing |
| <input type="radio"/> Food, Beverage, Consumer Goods   | <input type="radio"/> Hospitality / Entertainment |                                     |
| <input type="radio"/> Transportation / Distribution    | <input type="radio"/> Retail and Wholesale        |                                     |
35. What is the total number of employees in your organization?
- |                                     |                                   |                                    |
|-------------------------------------|-----------------------------------|------------------------------------|
| <input type="radio"/> Less than 500 | <input type="radio"/> 1000 - 1999 | <input type="radio"/> 3000 - 5000  |
| <input type="radio"/> 500 - 999     | <input type="radio"/> 2000 - 2999 | <input type="radio"/> 5000 or more |
36. What is your job title?     Manager     Director     VP or Sr. VP     Specialist
37. What is your weakest area of expertise?
- |                                    |  |  |                                       |
|------------------------------------|--|--|---------------------------------------|
| <input type="radio"/> Compensation | <input type="radio"/> Staffing/Recruitment | <input type="radio"/> Health, Safety, and Security | <input type="radio"/> HRIS/Technology |
| <input type="radio"/> Benefits     | <input type="radio"/> Training/Development | <input type="radio"/> Labor/Employee Relations     | <input type="radio"/> Employment Law  |
38. Have you had a 'Mentor' during your career?     Yes     No

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*Thank you for sharing your time and experience. If you would like a copy of the executive summary from the data collected, please provide your name and mailing address. For questions regarding this survey contact...*

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**APPENDIX D**  
**HUMAN RESOURCE COMPETENCY FRAMEWORK**

## APPENDIX D

### Human Resource Competency Framework

Core Competencies	Level-Specific Competencies	Role-Specific Competencies
<p><b><u>Personal Attributes</u></b></p> <ul style="list-style-type: none"> <li>• Relationship Orientation (1)</li> <li>• Continuous Learning (2)</li> <li>• Tolerance for Stress, Ambiguity, and Change (3)</li> </ul>	<p><b><u>Team Leader / First-Level Manager</u></b></p> <ul style="list-style-type: none"> <li>• Planning &amp; Organizing</li> <li>• Team Building</li> <li>• Performance Management (Coaching Others)</li> </ul>	<p><b><u>HR Product / Service Specialist</u></b></p> <ul style="list-style-type: none"> <li>• Technical Expertise</li> <li>• Product/Service Development</li> <li>• Product/Service Quality and Delivery</li> </ul>
<p><b><u>Leadership</u></b></p> <ul style="list-style-type: none"> <li>• Strategic Business Perspective (4)</li> <li>• Change Management (5)</li> <li>• Communication &amp; Influence (6)</li> </ul>	<p><b><u>Mid-Level Manager</u></b></p> <ul style="list-style-type: none"> <li>• Resource Management</li> <li>• Cross-Team Collaboration</li> <li>• Performance Management (Building Systems)</li> </ul>	<p><b><u>HR Generalist</u></b></p> <ul style="list-style-type: none"> <li>• Organization Design and Development</li> <li>• Process Facilitation</li> <li>• Resource Mobilization and Coordination</li> </ul>
<p><b><u>Management</u></b></p> <ul style="list-style-type: none"> <li>• Project &amp; Product Management (7)</li> <li>• Quality Process Orientation (8)</li> <li>• Customer Value Creation (9)</li> </ul>	<p><b><u>Senior-Level Executive</u></b></p> <ul style="list-style-type: none"> <li>• Visioning &amp; Alignment (14)</li> <li>• Partnership Building (15)</li> <li>• Performance Management (16) (Developing the Work Environment)</li> </ul>	<p><b><u>HR Strategist</u></b></p> <ul style="list-style-type: none"> <li>• Business Process Reengineering (17)</li> <li>• Business Management (18)</li> <li>• Human Capital Maximization (19)</li> </ul>
<p><b><u>Functional</u></b></p> <ul style="list-style-type: none"> <li>• Assessment, Evaluation, and Measurement Skills (10)</li> <li>• Compliance: Legal, Policies, and Practices (11)</li> <li>• Coaching and Consulting to Clients/Customers (12)</li> <li>• Staffing and Retention (13)</li> </ul>		

Source: Human Resource Competencies for the Year 2000. SHRM Foundation. 1999.

Note: Numbers in parentheses correspond to item numbers on the HR-PCS questionnaire .

**APPENDIX E**  
**STATISTICAL SUMMARY**



**SURVEY SUMMARY**

Question	1a	1b	1c	2a	2b	2c	3a	3b	3c	4a	4b	4c	5a	5b	5c	6a	6b	6c	7a	7c	8a	8b	8c	9a	9b	9c
Relationship Building	4.27	4.71	4.38	3.94	4.40	4.07	4.22	4.40	4.29	4.21	4.34	3.90	4.01	4.42	3.97	4.05	4.57	4.20	3.75	3.98	3.92	4.01	3.79	4.45	4.45	4.30
Strategic Business Partnership	0.92	0.49	0.67	0.92	0.60	0.71	0.95	0.69	0.71	0.97	0.74	0.84	1.00	0.64	0.77	0.94	0.58	0.67	0.95	0.76	0.98	0.76	0.71	0.78	0.71	0.69
Tolerance to Change	0.85	0.24	0.45	0.85	0.36	0.50	0.90	0.47	0.50	0.94	0.55	0.70	1.01	0.41	0.59	0.80	0.33	0.45	0.90	0.44	0.59	0.58	0.51	0.61	0.51	0.47
Continuous Learning	0.10	0.06	0.08	0.10	0.07	0.08	0.11	0.08	0.08	0.11	0.08	0.09	0.11	0.07	0.09	0.11	0.07	0.08	0.11	0.08	0.09	0.11	0.09	0.08	0.09	0.08
Change Management	4	0	0	5	0	0	5	0	0	5	1	1	9	0	1	4	0	0	5	0	4	0	0	2	0	0
Communication/Influence	11	1	2	15	1	1	15	4	2	15	3	13	16	2	7	13	0	0	27	2	4	20	5	6	7	4
Project Management	40	2	26	80	12	63	34	21	38	41	33	76	47	19	67	62	13	37	71	31	78	72	70	95	21	27
CI / Quality Orientation	92	80	128	122	130	151	101	103	131	90	120	135	118	131	151	106	104	141	132	153	137	105	142	154	94	100
Customer Satisfaction / Value	153	217	144	78	157	85	145	172	129	149	143	75	110	148	74	115	183	122	65	114	81	99	83	45	176	169
Total	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300

Mean: 4.27  
 SD: 0.92  
 Variance: 0.85  
 Confidence: 0.10

**Number of Responses For Each Question**

Question	1a	1b	1c	2a	2b	2c	3a	3b	3c	4a	4b	4c	5a	5b	5c	6a	6b	6c	7a	7c	8a	8b	8c	9a	9b	9c
#1	4	0	0	5	0	0	5	0	0	5	1	1	9	0	1	4	0	0	5	0	4	0	0	2	0	0
#2	11	1	2	15	1	1	15	4	2	15	3	13	16	2	7	13	0	0	27	2	4	20	5	6	7	4
#3	40	2	26	80	12	63	34	21	38	41	33	76	47	19	67	62	13	37	71	31	78	72	70	95	21	27
#4	92	80	128	122	130	151	101	103	131	90	120	135	118	131	151	106	104	141	132	153	137	105	142	154	94	100
#5	153	217	144	78	157	85	145	172	129	149	143	75	110	148	74	115	183	122	65	114	81	99	83	45	176	169
#6																										
#7																										
#8																										
#9																										
#10																										
Total	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300

**Proficiency Responses For Gap Analysis**

Category	#a	#b	#c
Below Average	2	1	8
Average	26	63	67
Above Average	272	246	275

Question Key:  
 #a = Importance to the Organization  
 #b = Importance to the HR Profession  
 #c = Personal Proficiency

Note: Alpha = .05

**SURVEY SUMMARY**

Question	10a	10b	10c	11a	11b	11c	12a	12b	12c	13a	13b	13c	14a	14b	14c	15a	15b	15c	16a	16b	16c	17a	17b	17c	18a	18b	18c	19a	19b	19c	
Mean:	3.86	4.35	3.91	4.29	4.65	4.37	3.89	4.47	4.31	4.10	4.01	4.10	3.79	4.16	3.74	3.62	4.25	3.80	3.94	4.40	4.07	3.75	4.01	3.68	3.87	4.53	4.08	3.68	4.49	3.79	
SD:	0.99	0.70	0.79	0.87	0.58	0.72	0.97	0.61	0.73	0.94	0.55	0.71	1.06	0.75	0.81	1.07	0.70	0.83	1.03	0.68	0.76	0.99	0.78	0.88	1.05	0.67	0.78	1.07	2.28	0.81	
Variance:	0.97	0.49	0.62	0.75	0.34	0.53	0.94	0.37	0.54	0.89	0.30	0.50	1.12	0.56	0.65	1.15	0.50	0.68	1.06	0.47	0.58	0.99	0.61	0.77	1.10	0.44	0.61	1.15	5.21	0.66	
Confidence:	0.11	0.08	0.09	0.10	0.07	0.08	0.11	0.07	0.08	0.11	0.06	0.08	0.12	0.08	0.09	0.12	0.08	0.09	0.12	0.08	0.09	0.11	0.09	0.10	0.12	0.08	0.09	0.12	0.26	0.09	
<b>Number of Responses For Each Question</b>																															
#1	7	1	1	1	1	1	3	0	0	3	0	0	10	0	1	10	0	1	5	1	0	5	1	3	8	0	1	13	0	0	
#2	22	3	8	13	1	2	27	1	3	17	1	5	23	5	13	34	2	8	24	2	8	31	8	20	26	5	8	30	6	13	
#3	62	24	77	37	10	32	60	15	39	44	7	37	77	49	102	88	40	93	66	22	53	71	60	102	61	14	51	68	24	98	
#4	125	132	144	97	66	115	120	127	119	101	99	153	100	131	96	131	96	123	95	127	149	119	149	121	107	99	147	118	128	129	
#5	84	140	70	152	222	150	90	157	139	135	193	105	90	106	53	72	119	75	110	148	90	74	82	54	98	182	93	71	142	60	
#6																															
#7																															
#8																															
#9																															
#10																															
Total	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	

**Proficiency Responses For Gap Analysis**

	#a	#b	#c
Below Average	9	3	3
Average	77	32	39
Above Average	214	265	258

**Question Key:**  
 #a = Importance to the Organization  
 #b = Importance to the HR Profession  
 #c = Personal Proficiency

Importance to the Organization			Importance to the Profession			Personal Proficiency		
Not Important	Slightly Unimportant	Neutral	Not Important	Slightly Unimportant	Neutral	Not Applicable	Low	Average
108	386	1,102	5	56	493	10	123	2,590
2%	7%	19%	0.1%	1%	9%		2%	45%
Importance: 2,038	Importance: 2,066	Importance: 2,877	Importance: 2,269	Critically Important: 2,877	Total: 5,700	Average: 1,203	High: 1,714	Total: 5,700
36%	36%	100%	40%	50%	100%		31%	100%

**SURVEY SUMMARY**

Question	20a	20b	21a	21b	22a	22b	23a	23b	24a	24b	25a	25b	26a	26b	27	28	29	30	31	32	33	34	35	36	37	38
Change Management	3.96	3.93	4.00	3.74	4.23	4.27	4.05	4.17	4.44	4.31	3.77	3.55	3.65	3.68	3.65	2.51	3.31	3.73	4.05	3.71						
HR Strategy Development	0.81	0.87	0.85	0.90	0.79	0.75	0.83	0.75	0.71	0.79	0.82	0.93	0.82	0.93	1.08	1.78	1.58	1.70	1.54	1.57						
Partnering With Management	0.66	0.70	0.72	0.81	0.63	0.56	0.69	0.56	0.50	0.62	0.67	0.86	0.68	0.87	2.02	3.17	2.50	2.87	2.39	2.46						
Business Knowledge	0.09	0.10	0.10	0.10	0.09	0.08	0.09	0.08	0.08	0.09	0.09	0.11	0.09	0.11	0.19	0.20	0.18	0.19	0.17	0.18						
Legal / Compliance															51	135	42	33	19	23						
Information Systems / HRIS															31	45	69	59	35	58						
Process/Procedure Redesign															44	43	55	44	59	60						
Legal/Compliance															68	25	59	46	56	51						
HR Planning/Reporting															56	23	39	56	60	57						
Employee/Labor Rel															50	29	36	62	71	51						
Compensation & Benefits															51	135	42	33	19	23						
Employee Training/Development															31	45	69	59	35	58						
Policy Development															44	43	55	44	59	60						
Organization Type															68	25	59	46	56	51						
Male / Female															56	23	39	56	60	57						
Total Employees															107	193	137	91	137	91						
Job Title															66	41	31	31	41	31						
Major Weakness															66	41	31	31	41	31						
Mentor															9	16	21	54	30	30						
Total	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300						

Mean: 3.96  
SD: 0.81  
Variance: 0.66  
Confidence: 0.09

**Number of Responses For Each Question**

Question	20a	20b	21a	21b	22a	22b	23a	23b	24a	24b	25a	25b	26a	26b	27	28	29	30	31	32	33	34	35	36	37	38
#1	0	0	1	2	1	1	0	1	0	0	3	4	1	2	51	135	42	33	19	23	107	66	137	91	34	172
#2	12	17	14	21	4	5	12	4	2	10	12	28	19	27	31	45	69	59	35	58	193	41	31	92	32	128
#3	68	73	59	96	45	28	56	44	32	30	88	118	108	101	44	43	55	44	59	60			9	38	85	9
#4	139	123	135	116	106	114	132	145	98	116	144	98	127	105	68	25	59	46	56	51			15	14	32	23
#5	81	87	91	65	144	152	100	106	168	144	53	52	45	65	56	23	39	56	60	57			30	16	66	18
#6															50	29	36	62	71	51			39	64	18	105
#7																										13
#8																										
#9																										
#10																										
Total	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300						