

# ***HR competencies: a contingency approach***

*A quantitative study into business context factors  
influencing HR competencies*

## Master thesis

Borne, January, 15, 2013.

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## MASTER THESIS

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## **Preface**

And these are the final lines of my master thesis, to complete the master Business Administration at the University of Twente. What can I say? An advanced project, something I am very proud of, an accomplishment that no one can take away from me. Simultaneously, it is the start of something new, because I leave my student career behind me, and I begin to start working. Life starts now, they say.

The thesis deals with a subject that interests me, in the first place to explore what is waiting for me personally, but also to tackle a subject that is not much described in literature. A great deal of literature discusses the relationship between HRM and performance, HRM and innovation, HRM and entrepreneurship, and all HR activities that are required within an organization. I decided to do something different; I decided to magnify the business requirements for HR professionals themselves. The first impression I had about the research frame of Eline Marsman gave me the inspiration to set up this research. I am very glad with the result!

Finally, some words of acknowledgement are in place. First I would like to thank Tanya Bondarouk, for giving me the opportunity to work on this project, but also for providing very useful tips, critical comments, positive discussions during the research process and approaching everything with a positive attitude. Also thanks to Huub Ruël, my second supervisor, for reading through the thesis, providing tips and taking care of the final review of the thesis, together with Tanya. Furthermore, thanks to all respondents, both of the pre-test and the real test, who took the time to fill in the questionnaire. Without you, results could not be presented and this thesis would not have been possible. Moreover, all my friends who helped me (and especially those friends who checked the thesis and gave feedback); thank you! Last but not least, I want to thank my parents for their social and financial support during 4,5 years of study.

Marc Rekers

Borne, January 15, 2013.

## **Abstract**

This study (an extension of the research of Marsman, 2011) investigates the relationship between a specified set of HR competencies and seven business context factors across four dimensions; 'Personal credibility', 'HR technology', 'HR integration and innovation' and 'Strategic focus'. The business context factors are selected on the basis of quantity of empirical evidence. Investigated contingencies were organizational culture, type of industry, firm size, organizational structure, use of technology, internationalization and type of strategy. The paper's originality stems from the identification of contingencies of HR competencies specifically, the historical perspective and the formulation of scenarios implying different needs in HR competencies-sets.

Every good HR professional wants to improve, which starts with the desire to improve, followed by the requirements to achieve that desire. The field of HRM is evolving. The historical overview of HRM shows that HRM does not develop autonomously. The premise of this paper is that several factors from the environment influence the development of HRM. In order to sustain within the changing environment, the HRM function changes, and hence HR professionals need to develop a new set of HR competencies. It has been shown that there is a gap between the competencies an HR professional possesses and what business requires. How can this gap be closed? To provide insight, a contingency approach has been taken. The goal of the research became the identification of business context factors influencing HR competencies. The research question is formulated as follows:

*What business context factors influence the HR competencies for HR professionals?*

Literature review is conducted to gain insight in HR competencies research. From a historical perspective, the six rounds of the 'Human Resource Competency Study' (HRCS) and the research of Marsman (2011) are compared. The comparison of the six HRCS and Marsman (2011) has led to a new set of HR competencies, more unique, distinctive and clear.

Possible contingencies are identified from HRM literature. The seven hypotheses concerning the influence of the business context factors upon the set of HR competencies have been investigated through an online survey within a sample of Dutch HR professionals. 58 useful questionnaires were retrieved in three months time.

The data show that the respondents scored lower on all dimensions of HR competencies than the respondents of the HRCS 2012. Six factors influenced HR competencies across three, two or one dimensions: organizational culture, type of industry, organizational structure, use of technology, internationalization and type of strategy.

Several scenarios lead to changes in the required HR competencies-set. Particular types of strategy, culture, structure, industry and firm size were related to the level of HR competencies. Firms pursuing a prospector strategy should require their HR professionals to be more competent. It seems that the mission culture has a negative influence upon the HR competencies-set; HR professionals working in a mission culture scored significantly lower on 'Personal credibility', 'HR technology' and 'HR innovation and integration'. HR professionals working in micro organizations with 10 employees or less seem to require less HR competencies. It means that in every particular situation, a specific set of HR competencies is needed, influenced by contingencies.

The research contributes in several aspects:

- A new, unique and more distinctive set of HR competencies was developed.
- Six business context factors were identified to be related to HR competencies specifically.
- Several scenarios lead to changes in the required HR competencies-set.
- A historical and complete overview of the development of HRM was set.
- A major argument for the best-fit approach was accomplished.

Implications for business life are that the application process could run faster, since both the HR professional and organizations can look at the business context about what suits them in terms of type of organization and profile of HR professional. In general, businesses should watch the business context more carefully because now it is shown how important it is. The choice of a particular culture or strategy implies the need for different sets of HR competencies. The issues HR professionals should pay attention to when they want to improve themselves have been identified.

This paper paves the way to conduct more research in HR competencies and their relationship with business context factors to gain deeper understanding. An exploration of more business context factors, the investigation of the found relationships outside the Netherlands and a new investigation of the business context factor 'firm size' can be important foundations for future research.

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## **1. Introduction**

“Any good HR professional wants to be better. This begins with a desire to improve, followed by a clear understanding what it requires to improve.” (The RBL Group, 2012)

What it means to be competent in HR work has to be described with the help of HR competencies. What competencies are required nowadays? About HR competencies is written less than about HR roles. However, history provides us with essential lessons in defining HRM and the required competencies. Therefore, a historical perspective has been used.

### **1.1. Historical overview of managing people within organizations**

The ‘old’ personnel management has developed from its origins in the nineteenth century until now. It started with initiatives of making work less harsh for employees and paying attention to the welfare of the workers (Torrington, Hall, & Taylor, 2008), while nowadays HR professionals also decide on strategic level (Ferris, Hochwarter, Buckley, Harrell-Cook, & Frink, 1999; Torrington et al., 2008). In this paragraph I sketch the main trends and developments in chronological order, and I show how the HRM function has evolved. Besides, I distill the competencies that were necessary through the years, because competencies are constructs that can capture the complexity and dynamics of the HRM function more than, for example, HR roles (Boselie & Paauwe, 2005).

HRM has evolved from the general management. The initial writings on personnel management came from ‘counselors’ who among others were members of Taylorists’ associations, around 1920 (Kaufman, 2000). However, the term ‘personnel management’ was unknown until 1915 (Kaufman, 2000). Frederick Taylor (1856-1915) is seen as the founder of the modern management. Taylor’s idea of the management of an organization was to manage in a rational way. He found a scientific approach of how to achieve organizational goals (Boddy, 2008). This historical outline starts with the ideas of Taylor because three important concepts provided by him are the foundation of the HR profession. These concepts are matching the individual with the job, training them to perform well and using incentives to motivate (Jamrog & Overholt, 2004).

The ‘scientific management’ or later called ‘Taylorism’ began around 1880. According to Taylor, the main cause of the inefficiency within organizations is the laziness of the worker. Through standardization and strict control he wanted to manage the performance of the workers. Frederick Taylor “... provided the major thrust for an era characterized by a search for workplace efficiency and systematization.” (Wren & Bedeian, 2009, p. 119). He introduces performance-based pay to achieve labor productivity. Taylor’s ideas are merely task-oriented, and not centered around the employee. Together with the Bedaux system (putting Taylorism into practice) the scientific management increased the importance of the ‘controlling’ personnel function, also by making important contributions in modern thinking about human motivation (Bratton & Gold, 1994; Bruce & Nyland, 2011; Kreis, 1992). Competencies include “knowing exactly what you want men to do, and then seeing that they do it in the best and cheapest way” (Taylor, 2008, p. 7). According to Taylor the best management is true science, which rests upon clearly defined laws, rules and principles, as a foundation (Taylor, 1998).

While the study of '*economic man*' has been conducted, researchers found the necessity to study '*the man*'. The human being itself became the central research object, instead of economic production. In this way, the management became more oriented towards workers instead of tasks. The field of industrial psychology was born, in alliance with scientific management. Hugo Munsterberg (1863-1916) was the founding father of this movement. The objective of industrial psychology was that behavior should be *satisfactorily* adjusted for the individual in order to increase efficiency. Concern for the human factor was increasing, as Munsterberg noted that industrial efficiency was not only in the interest of employers but also in the interest of employees because, for example, their working time could be reduced and wages increased. In the end, the moving interest resulted in a growth of personnel management (Wren, 1994).

Around 1930, the year of the Hawthorne studies, the movement of Human Relations emerged (Storey, 1992). The Hawthorne studies consisted of a series of investigations into work behavior and attitudes of physical, economic and social variables. The cause of the fame and influence of the Hawthorne studies was that social satisfaction arising out of human association in work was a more important determinant of work behavior and output than any other variable of physical or economic character (Carey, 1967). The Human Relations movement was characterized by studying human behavior in groups, or workplace groups. The ideas of the movement (e.g. 'treat the worker as an individual' and 'let social relationships of these workers play an important role in their productivity') are now the underlying concept of HRM. Thus, the Human Relations movement led to the initiation of HRM.

Elton Mayo (1880-1949) is seen as the founder of the 'Human Relations School' (HRS). The HRS was distinctive from scientific management, merely employee-oriented instead of task-oriented. The Hawthorne studies gave a stimulus to the Human Relations idea (Storey, 1992). However, it has been stated that the ideas of Taylor and Mayo had the same goal, namely controlling workers and accepting less (Bruce & Nyland, 2011). Both authors did so by other means. Whereas Taylor wanted to exert power physically over the workers and use monetary incentives to motivate, Mayo (1930) chose a more subtle way by addressing the emotions and cognition of the workers, recognizing it as more important than a good salary (Bruce & Nyland, 2011). HRS was a reaction to the 'inhuman' and 'technically-focused' scientific management (Bruce & Nyland, 2011). According to the HRS, conflict was the result of badly social organization, rather than the consequence of human nature (Sarachek, 1968).

The stage of HRS concerned responsibilities for staffing, training and organization design. 'Social relationships' and 'employee morale' were key concepts in this era (Torrington et al., 2008). It was due to the HRS that there was an increase of Welfare Workers (Bratton & Gold, 1994). The increased demand for labor through World War I and II was also related to a growth in the personnel management.

After the war period, the need for personnel specialists continued to grow. When the unions emerged during the period of scarcity of labor after the Second World War, negotiating skills were added to the expertise of HR professionals. In the Netherlands the growth of trade union membership continued until the end of the 1970s, when membership declined (W. Groot & Berg, 1994).

Simultaneously, the HRS showed some shortcomings (effects on the work environment were small) that were addressed by the Human Resource School of Thought. This school was firmly rooted in humanism with belief in human rationality and perfectibility through learning and the importance of self-awareness. Well-known persons of this movement were Douglas McGregor (1906-1964) who developed the theory of X and Y and Abraham Maslow (1908-1970), famous for his pyramid of needs (Swanson & Holton, 2009). Contributions of this era include the meaningfulness of work, motivation, self-control of workers, and management towards potential of the workers (Swanson & Holton, 2009).

Thereafter, personnel management was slowly more integrated with the management itself rather than that personnel management concerned managing people on behalf of the management (Torrington et al., 2008). During the 1980s, the term 'HRM' replaced 'personnel management' (Bratton & Gold, 1994). From the end of the 1990s, more focus is placed upon the strategic role of HRM. Biemans (2007) stated that the influence of HR on business performance increases from personnel management to HRM. Competencies of HR professionals nowadays include coaching and advising the line management and analytic and conceptual skills (Biemans, 2007).

## **1.2. The development of HR competencies**

Having sketched the development of the HRM function, we turn to HR competencies. First of all, what are competencies?

According to Swanson and Holton (2009, p. 268), a competency is defined as "displayed behavior within a specialized domain in the form of consistently demonstrated actions of an individual which are both minimally efficient in their execution and effective in their results". In another definition, the demonstrated action is not about effectiveness and efficiency, but only about helping firms: HR professionals demonstrate competence when they help their firms to compete (Ulrich, Brockbank, Yeung, & Lake, 1995).

Dubois (1993, p. 9) stated that competency is about "the employee's capacity to meet job requirements by producing job outputs at an expected level of quality within the constraints of the organization's internal and external environments". Dubois (1993) describes that there should be a match between what the employee can do and what business requires. This is in line with thoughts of Marsman (2011). Besides, the employee has to deal with the environment of the organization.

As is described in Kennedy, Hyland and Ryan (2009), a competency can be defined as a combination of knowledge, skills and attitudes. According to Kennedy et al. (2009) there is general agreement that an individual possessing these three elements in the right manner is competent in his/her particular job, which is in line with Dubois (1993). We compose the definition of elements from Dubois (1993) and Kennedy, Hyland and Ryan (2009). A competency is then:

*A combination of knowledge, skills and attitudes to meet job requirements by producing job outputs at an expected level of quality within the constraints of the organizational environment.*

Below in table 1.1. we see how the required competencies of HR professionals have developed. The HR function has become broader and more important (Vosburgh, 2007). Whereas in the early 20<sup>th</sup>

century only analyzing the performance of employees and motivating them towards superior performance were important, in the beginning of the 21<sup>st</sup> century the HR professional is also involved in advising line management and even being part of the top management. The increasing added value of HRM can be depicted graphical (Appendix I).

<u>Time period</u>	<u>Trend</u>	<u>Competencies</u>	<u>Source</u>
± 1880	Scientific Management – Frederick W. Taylor	Scientific skills, analytical abilities, motivation through monetary incentives.	Bratton and Gold (1994); Bruce and Nyland (2011); Kreis (1992); Taylor (1998); Wren (1994).
± 1905	Industrial Psychology – Hugo Munsterberg/ emergence of the personnel function	Knowledge about the human factor, knowing how the satisfactorily adjust human behavior	Wren (1994).
± 1930	Human Relations School (Welfare management) – Elton Mayo	Ability to address needs, knowledge about social relationships, motivation through emotions and cognition. Staffing, training and organization design.	Bruce and Nyland (2011); Sarachek (1968); Storey (1992); Torrington et al. (2008); Wren (1994)
± 1950	Rise of trade unions - Abraham Maslow, Frederick Herzberg, David McClelland	Negotiating skills were added	Groot and Berg (1994); Torrington et al. (2008).
± 1950	Personnel management – Abraham Maslow, Frederick Herzberg, David McClelland	Recruiting and training skills, knowledge about reward systems	Bratton and Gold (1994); Storey (1992).
± 1985	HRM – many authors	Employee development and maintenance, employee relations	Bratton and Gold (1994).
± 2000	HRM – many authors	Coaching, advising, analytic and conceptual skills. Becoming more strategic.	Biemans (2007).

Table 1.1. Required competencies of the HR professional over the time.

The competencies of the general manager were particularly broad in the beginning of the 20<sup>th</sup> century, until the emergence of the personnel function, resulting from research about the human factor for management purposes. The specific HR skills replaced the general management skills. This function developed from skills formulated in particular by the Human Relations School onwards to the general HR skills (of the Human Resource School of Thought) as we know them right now (recruitment and selection, training and development, compensation). What is remarkable is that the significance of the HRM function has increased since the beginning of the scientific management era. The specific skills for recruiting et cetera remain, but more general skills are also needed now for becoming more strategic. From the development of the Human Relations School onwards, the HR skills are cumulative. In conclusion, the general management skills of the scientific management era evolved into more specialized personnel function skills towards more generalized personnel function skills.

### **1.3. Lessons from history: defining HRM**

Management is defined as the process of reaching organizational goals by working with and through people and other organizational resources (Management innovations, 2008). Thus, to successfully manage a business, that is achieving organizational goals, one should take care of a sound people management. It means that HRM is fundamental for every management activity.

What is HRM exactly? Some authors claim that defining HRM is difficult, because it consists of several dynamic factors like leadership, culture and organizational objectives (Ferris, Rosen, & Barnum, 1995). According to Torrington et al. (2008) HRM can be defined in two ways: in general, as a replacement term for the old personnel management, and HRM as a distinctive approach to personnel management. The latter approach is more justified, because HRM differs from personnel management in several ways. First of all, HRM is long-term oriented, whereas personnel management is more reactive and short-term oriented. The focus of personnel management is cost minimization while the main principle of HRM is putting people in the center of the organization. The focus of HRM is therefore achieving a maximum utilization of the human resources. A contract of employment has changed to a contract for performance (Torrington et al., 2008). Therefore, a definition of HRM as a distinctive approach to personnel management is advocated.

Today's business operates in a global environment. Firms deal with an increasingly competitive environment, in which economies of scale can be easily achieved and unique products are imitated also more clearly. Firms have realized that people are an organization's primary source of competitive advantage (Ruona & Gibson, 2004; Thoenig & Verdier, 2003). For example, HR practices cannot easily be copied (Bae & Rowley, 2001). Through the globalization, consumers have numerous choices in products and services in a broad array of organizations. To win customers, organizations are facing an extraordinary challenge. They need to prove their uniqueness, offer a product or service that customers value and that other companies cannot offer. Organizations need to sustain a competitive advantage (Fahy, 2002; Porter, 1986).

Human resources are in the perspective of the resource-based view (RBV) a potential source of sustained competitive advantage (Barney, 1991). Barney (1991) indicates that resources that are valuable, rare, inimitable and non-substitutable (VRIN) provide organizations with sustained competitive advantage. It is stated that with the help of HR practices, organizations can develop a 'VRIN' human capital pool. The HR practices and/or the human capital pool can be VRIN. Both elements can be of strategic relevance (P. M. Wright, Dunford, & Snell, 2001). Taylor, Beechler and Napier (1996) showed that the RBV adds that the HRM system should be centered around critical organizational competencies for securing competitive advantage. What, then, are the critical organizational competencies needed in order to create a sustained competitive advantage with the HRM system?

I propose that possessing the right HR competencies by HR professionals leads to a better delivery of HR practices (thus, HR professionals performing better), which in turn should lead to better performance by the workers within the organization, which ultimately leads to higher organizational performance (see also Appendix II for a schematic overview of the HR system). The relationship between competencies and performance is for example confirmed by Snow and Hrebiniak (1980), who investigate the relation between competencies and performance, and also strategy. They found

that distinctive competencies play a part in strategies like the defender and the prospector strategy. Snow and Hrebiniak (1980) used the fourfold strategy typology of Miles and Snow: defender, prospector, analyzer and reactor. Furthermore, there are several studies where the relationship between HR practices and organizational performance has been investigated and confirmed (Delery & Doty, 1996; Guthrie, 2001; Huselid, 1995). Achieving a higher organizational performance is a need of the business the HR professional is employed by. The requirement for business is then to deliver such HR practices that ultimately lead to higher organizational performance. Ultimately, the effect of HR competencies can reach sustainable competitive advantage.

To perform HR activities, the HR professional needs to possess the knowledge, skills and attitudes belonging to these actions. In other words, the HR professional needs the *competencies* to perform the HR activities in an appropriate manner. Having seen the development HRM made through the years, also the competencies for the HR professional change.

#### **1.4. Influence on HR competencies**

Drawing on the notions from the previous paragraphs, we can conclude that HR competencies do not develop autonomously. HRM has become important because of the globalization, which stems from factors of the business environment. The development of HR competencies was due to the needs of organizations and the streams of scientific research in those eras. Marsman (2011) suggests the existence of contingencies within the domain of HR competencies. Deriving her conclusions about the importance of the environment from research of Hayton, Cohen, Hume, Kaufman, and Taylor (2005) and Douglas Johnson and King (2002), she states that changes in business requirements should be necessary due to the environment. As HR competencies and business requirements should fit (Marsman, 2011), I can conclude that the environment, or business context as Marsman (2011) describes, also influences HR competencies.

Next to that, the definition of Dubois (1993, p. 9) of competencies ("the employee's capacity to meet job requirements by producing job outputs at an expected level of quality within the constraints of the organization's internal and external environments") also suggests that competencies are influenced by environmental variables.

We can now conclude that the development of HR competencies is influenced by contextual factors. This leads to the adoption of the best-fit approach of HRM. The best-fit approach is one of the main approaches towards HRM, next to the best-practice approach. The choice for this approach has not been made solely because of the definition of Dubois (1993), but also because of the fact that characteristics of organization and environment are always different in every situation. Boxall and Purcell (2000) for example, underpinned this statement in concluding that HR strategies are heavily shaped by contextual contingencies. Still there is no consensus about which approach is most useful for HRM (Paauwe & Boselie, 2006), although Delery and Doty (1996) argue that the best-fit approach lacks empirical evidence. Paauwe and Boselie (2006) found suggestions that both approaches may be right in their own way.

To make ends meet, the competencies of HR professionals are dependent on *context*. This justifies the use of the best-fit approach, although empirical evidence within research for this approach is lacking. Therefore, in this paper we draw on contingency theory. Contingency theory was originally



developed by Lawrence and Lorsch (1967). This theory states the organizations depend on environmental factors. When organizations internally organize the company within the constraints / demands of the environment, the most success is achieved (Lawrence & Lorsch, 1967). While contingency theory is about organization and environment, the relationship between HR professional and organization (Marsman, 2011) and between organizational variables and organizational outcomes (Valverde, Ryan, & Soler, 2006) can be also viewed in a contingency perspective. Jackson and Schuler (1995) understood the need for analyzing HRM issues in context. They gave an overview of the different theoretical perspectives that declare the contingency thinking in HRM. Together this indicates the various sets of contingencies existing in the business context. Contingency theory forms the theoretical foundation of viewing HR competencies in context.

### **1.5. Research problem**

Seen from a historical point of view the HRM field is evolving. Current developments such as e-HRM and HR shared service centers (HR SSC) are expected to lead to a better quality of HR service, an increasing strategic role for HR and cutting costs (Bell, Lee, & Yeung, 2006; Farndale, Paauwe, & Hoeksema, 2009; Haines & Lafleur, 2008; Marler, 2009). The question is in what direction the HR function develops (good, bad, right, wrong, strategic, supportive). To sustain the transformation of the HR function, HR professionals must develop and demonstrate a new set of competencies to fulfill their changing roles and responsibilities and to perform better (Ulrich, Brockbank, Johnson, & Younger, 2007; Yeung, Woolcock, & Sullivan, 1996).

HR visions alter, e-HRM has emerged and new HR structures are designed. We have seen that HR competencies are possibly influenced by context. Based on contingency theory, I expect a relationship between HR competencies of the HR professional and variables from the business context of the organization the HR professional is employed by. Marsman (2011) suggested the existence of contingencies in her framework by proposing company size, company type, company scope and company position as contingency factors. These results also create a necessity for further research in the context of contingency theory. In this way, this work is an extension of the research of Marsman (2011).

As a consequence of changing contingencies, the competencies for the HR professional have changed and as a result a competence gap has occurred. To illustrate; Yeung et al. (1996) interviewed HR executives and they concluded that only 10 to 35% of their HR professionals possess the required competencies. Filerman (2003) for example stated that there is even a competency gap across all managerial levels. How has this competency gap occurred? To provide insight, business context factors need to be identified and tested in their relationship with HR competencies.

The purpose of this report is to test which competencies an HR professional possesses and to identify the variables influencing the development of the HR competencies.

That brings us to the following research question:

*What business context factors influence the HR competencies for HR professionals?*

## **2. HR competencies and business context factors**

The historical view teaches us the changing nature of the competence-set HR professionals need. As the competencies have changed in the past, we can expect they will change in the future too. In the following paragraph, the research about HR competencies is explored, in order to find precise developments in competencies. Again the description starts from a historical perspective, because it gives an accurate look over all the work about HR competencies written. After that a separate paragraph is devoted to the business context factors, which are extracted from the HR competencies research.

### **2.1. HR competencies research**

While topics in the HRM field about changing roles and also responsibilities are widely discussed, HR competencies have been considered less (Yeung et al., 1996). Learning competencies is the core of human resource development (HRD), which emerged in the 1970s (DeSimone, Werner, & Harris, 2002; Swanson & Holton, 2009). HRD is concerned with the design of systematic and planned activities to provide organizations' members with the opportunities to learn necessary skills to meet current and future job demands (DeSimone et al., 2002). In HRD, all employees are included, also HR professionals. That brings us to the purpose of this paragraph, what do HR professionals do and what necessary skills and knowledge should HR professionals develop?

The HRM function is carried out differently per organization. DeSimone et al. (2002) distinguish between primary and secondary HRM functions. The primary functions concerned recruiting, retaining and developing employees. Secondary functions are either supportive for general management activities or involve determining or changing the structure of the organization. Primary HRM functions are responsibilities for (according to DeSimone et al., 2002):

- human resource planning
- legal and moral aspects concerning equal employment opportunity
- staffing
- compensation and benefits administration
- employee relations
- promoting a safe and healthy environment
- ensuring that organizational members have the skills or competencies to meet current and future job demands.

Secondary HRM functions include organization and job design activities, performance management and appraisal and HR information systems (HRIS).

Given these HRM functions, we now go a level deeper, into the competencies; the skills, knowledge and attitudes the HR professional needs to possess in order to perform these activities in a consistent manner, with efficiency and effectiveness, and within the constraints of the organizational environment. DeSimone et al. (2002) came up with the integrated competency model of Boyatzis (1982). This model (included in appendix III) is meant for the general manager, although it includes a cluster for HRM. In this cluster Boyatzis (1982) describes the following competencies: 'use of socialized power', 'management group processes', 'positive regard' and 'accurate self-assessment'.

Some competencies enhance managerial effectiveness. For 'use of socialized power', Boyatzis (1982) found a significant relationship ( $F = 9.092$ ,  $df = 2$ ,  $p = .0002$ ). No relationship was found for 'positive regard'. 'Managing group processes' was significantly related to effectiveness ( $F = 4.330$ ,  $df = 2$ ,  $p = .02$ ). 'Accurate self-assessment' was barely related to effective performance, but showed a near-significant linear trend favoring the better managers ( $F = 3.166$ ,  $df = 1$ ,  $p = .076$ ). 'Positive regard' and 'accurate self-assessment', however, were threshold competencies, and not specifically related to superior job performance (which is also a clarification for the lack of a relationship with effectiveness, according to the results). A person who uses socialized power influences to build networks and sees himself/herself as a team player. Having built the coalitions and networks, the HR professional should be able to manage them. That is, the management of group processes in which people can stimulate others to work together effectively in group settings. Positive regard means that the HR professional should believe in his employees. Accurate self-assessment means that the HR person should view himself in a realistic or grounded way (Boyatzis, 1982). Obviously, these competencies are interrelated. To demonstrate a positive regard to others, one should view oneself critically. Besides, the use of socialized power is related to managing group processes. Thus, competencies are dependent on each other and other variables.

### **2.1.1. The Human Resource Competency Studies**

The book of Boyatzis (1982, *The competent manager: a model for effective performance*) has brought the concept of 'competence' closer to the HR practitioner's domain, instead of being exclusively academic (Sun & Shi, 2008). The term 'competency' has been popularized through the work of David Boyatzis. The competency approach can be traced back to early studies by the Ontario Society of Training and Development (1976) and the American Society of Training and Development in 1967, 1983, 1987 (Storey, Wright, & Ulrich, 2009). After these studies, Ulrich and Brockbank conducted the Human Resource Competency Study (HRCS) since 1988 (HRCS project team, 2011b; Storey et al., 2009). Until now, six rounds (1988, 1992, 1997, 2002, 2007 and 2012) have been conducted. In line with the historical sketch of the first chapter, the gathered data is discussed chronologically.

The HRCS began in 1988 with a survey with more elaborated questions and a 360-degree logic which delivered three dimensions: 'Knowledge of business', 'HR delivery' and 'Change management'. With the 360-degree logic, problems with regard to self-evaluation are avoided. The survey was held among 10,000 respondents, of whom 9,000 were HR associates and 1,000 were colleagues of those HR associates (Storey et al., 2009).

The 1992 round consists of merely the same questions. This round verifies the found dimensions of 1988 (Storey et al., 2009). Next to the three dimensions found in 1988, 'Personal credibility' was added (Ulrich, Brockbank, Johnson, Sandholtz, & Younger, 2008). In the 'Personal credibility'-dimension, aspects of the competency model of Boyatzis (1982) come forward. It includes pieces of positive regard, use of socialized power and also accurate self-assessment. As Ulrich and colleagues seem to have integrated 3 out of 4 elements of Boyatzis's (1982) human resource management cluster into one dimension in the study of 1997. This is again a confirmation that the HR profession has become broader.

After the HRCS 1992, Yeung, Woolcock and Sullivan (1996) identified three competencies, among which 'Knowledge of business' and 'Management of change'. What is different, however, is that they found 'Influencing skills' that were included by senior HR executives in the top three of important competencies for HR professionals. This shows that Ulrich's research is not comprehensive.

The importance of knowledge of business has increased since the 1980s according to Ulrich et al. (1995). 'Knowledge of business', 'HR delivery' and 'Management of change' were also found in the first two rounds of the HRCS (Boselie & Paauwe, 2005). Ulrich et al. (1995) see 'Management of change' as the most important proportion of the HR competencies. More importantly in the context of this research, they found evidence that (expectations of) HR competencies vary over time (Ulrich et al., 1995). Expectations of critical HR competencies differed in three years ('Knowledge of business' 16.9% to 25.4%, 'Delivery of HR practices' 22.5% to 27.8%, 'Management of change' 41% to 45%).

In 1997 the next round of HRCS took place and again an extension was made; 'Culture management' was added (Ulrich et al., 2008).

The HRCS in 2002 was the first global study about HR competencies, instead of surveying US or UK respondents only (Boselie & Paauwe, 2005; Caldwell, 2003; Storey, 1992; Ulrich et al., 1995). The research of HR competencies in 2002 is designed around five dimensions (Boselie & Paauwe, 2005). These dimensions were 'Strategic contribution', 'Personal credibility', 'HR delivery', 'Business knowledge' and 'HR technology'. As the dimensions have grown from three to five competencies, the competence studies are in line with the development of the HR profession becoming broader. The strategic aspect of the HR profession is explicitly formulated in the 'Strategic contribution' dimension. The dimensions in further detail:

In the study the dimension 'Strategic contribution' means that the contribution of the HR professional reaches the strategic level. He or she manages culture, takes care of change, creates market driven connectivity and helps with decision-making on strategic level.

The second dimension 'Personal credibility' implies that it is essential for an HR professional that he or she can work together with people in the organization. Not only an effective relationship with the line manager is important but also a sound relationship with the other HR people is vital.

'HR delivery' means that HR professionals are involved in four main HR activities (development, structure and HR measurement, staffing, performance management). For the development part, HR professionals deliver career-planning services and provide training. Development has been seen from an individual but also organizational perspective. Structure and HR measurement means restructuring the organization and assessing the impact of HR practices. Staffing is about attracting and selecting people to fill vacancies, and outplacing those people who are not suitable for the job anymore. The last part is about implementing rewards to influence performance and designing measures for performance.

In order to be important for the whole organization the HR professional should understand the integrated value chain and the value proposition of the organization. Labor legislation is the third element belonging to the dimension 'Business knowledge'.

IT is becoming an increasingly more vital part in every organization, also the HR profession has to deal with it. Using IT for HR practices is what the dimension 'HR technology' is about.

In 2007, the fifth round of HRCS took place. More emphasis was placed on delivering value. In order to do so, understanding the business context and especially the changing nature of the organizational context were challenging issues that should be mastered (Ulrich, 2008). The HR professional should manage both business and people. Besides, the 2007 HRCS competency model has six dimensions instead of the former five. Not only needing to know but also needing to act on what you know is a pillar of this round in HRCS. The new model consists of the 'Talent manager' (3.73, score of HR participants, ranging from 1-5), 'Culture and change steward' (3.80), 'Strategy architect' (3.49), 'Operational executor' (3.47), 'Business ally' (3.39) and 'Credible activist' (4.16). These dimensions are situated in a triangle of people, business and HR professionalism, categorized in organization capabilities, systems and processes, and relationships. The figure is depicted in appendix IV. The dimensions belonging to organizational capabilities consist of knowledge and abilities that HR professionals must possess in order to make a difference in business. The next two competency dimensions below are supportive in that they are necessary, but not sufficient in establishing business success.

The 'Credible activist' has two characteristics, being both credible and active. Credible here means admired and listened to, and active as actively providing points of view and challenging assumptions. Ulrich et al. (2008) found four factors associated with the 'Credible activist'-dimension; 'Delivering results with integrity' (4.27), 'Sharing information' (4.19), 'Building relationships of trust' (4.00) and 'Doing HR with an attitude' (3.97, scoring for perceived capability by HR participants on these items, ranging from 1 to 5). However, the sequence was not the same everywhere. In Europe, for example, 'Sharing information' (4.30) was more important than the integrity factor (4.19).

The 'Culture and change steward' respects culture and actively shapes it by standardization of HR policies and practices and providing advice to managers. Factors identified by Ulrich et al. (2008) were 'Crafting culture' (3.89), 'Facilitating change' (3.85), 'Personalizing culture' (3.69) and 'Enacting culture' (3.47, again scoring for perceived capability by HR participants on these items, ranging from 1 to 5).

The 'Talent manager/organization designer' is concerned with flow management; inflow, internal flow and outflow of individuals within the organization. At the same time, talent managers are familiar with organizational design and focus on integrating organizational capabilities that are embedded within systems, structure and processes with HR practices. It is about putting the two together, not just organization design and talent management (Ulrich, 2008). Talents working in an organization with the wrong organization design would be frustrated and limited in their contributions. This is the dimension with the most factors within the set of HR competencies developed for HRCS 2007. Five statistical categories are distinguished; 'Ensuring today's and

tomorrow's talent' (3.92), 'Developing talent' (3.70), 'Shaping organization' (3.68), 'Fostering communication' (3.87) and 'Designing rewards systems' (3.20).

The 'Strategy architect' actively plays a part in the establishment of the overall strategy. The linkage between internal organization and external customer expectations makes the strategy real to employees of the firm. Not only a strategic perspective for HR work is needed, but also for the organization overall. The found factors of Ulrich et al. (2008) are 'Sustaining strategic agility' (3.54) and 'Engaging customers' (3.33).

The 'Operational executor'-dimension looks like Ulrich (1998)'s 'Administrative expert' role, in that operational aspects as administrative tasks (and conducting them in an efficient way) are included. The operational executor idea, however, is much broader than administrative work, the design of HR practices and policies was also incorporated. Thereby are means such as technology (IT) and outsourcing necessary to create efficiency. Two factors were found; 'Implementing workplace policies' (3.47) and 'Advancing HR technology' (3.49).

To actively contribute to the success of the business, the HR professional knows the social context and the way the business makes money (value chain). Business knowledge is still critical, as it is included as one of the competencies in the first round of HRCS (Ulrich, 2008). Ulrich et al. (2008) name this dimension 'Business ally'. The factors are 'Interpreting social context' (3.57), 'Serving the value chain' (3.42), 'Articulating the value proposition' (3.30), 'Leveraging business technology' (3.28).

Key findings from the 2007 round of HRCS are differences in perception of HR and non-HR respondents with regard to customer views and designing reward systems, and the type of market was a moderator for the required competencies (Ulrich, 2008). The 'Talent manager' and 'Organizational designer' were originally separated, but the factor analysis showed that these two cannot be seen apart from each other. Only attracting talents is not enough anymore, as talents increasingly move to other organizations. For organizations it is vital to sustain talents, and this idea has been enforced by the impact the HR department and HR professional (respectively 25% and 20%) had on business performance. While 'Culture steward' was separated from the 'Strategic contribution'-dimension of previous HRCS rounds, being a unique dimension in the HRCS 2007 has led to a second highest rating in predicting performance of HR in effectiveness (3.80, pertaining to 4.16 for the 'Credible Activist'-dimension).

The research of Marsman (2011) is based on the findings of Ulrich's fourth round in 2002. However, she placed a few comments about the work of Ulrich and colleagues. The study of Marsman (2011) resulted in a more business-oriented typology of HR competencies, since several competencies from of the research of Ulrich were redefined because interviewed HR professionals indicated that they were more familiar with other terms.

Marsman (2011) identified 34 competencies across 6 dimensions. The dimension of business knowledge was turned into a competency. The 'Business knowledge' competence was part of the newly formed dimension 'Business focus', whereby HR professionals further indicated the importance of knowledge about social context, value chain and the value proposition. In this

dimension, 'Organization sensitivity' was also added on insistence of two respondents. Next to knowledge about the business itself, an HR professional should understand how the business works and how decisions will influence other parts within the organization.

The 'HR delivery'-dimension of Ulrich was not adjusted in the research of Marsman (2011). This dimension contains competencies to execute operational aspects of managing people and organization. The research resulted in five competencies; 'HR measurement', 'HR organization capability', 'Legal compliance', 'Operational knowledge', and 'Staffing' (creating a staffing process).

Technology in HRM is coming up with the development of e-HRM. In the research of Marsman (2011), the 'HR technology'-dimension consists of two competencies; 'Knowledge of HR technology' and 'Facilitating skills'.

The 'Personal credibility'-dimension is the second-largest dimension as it included ten competencies. The competencies were 'Achieving results', 'Communications skills', 'Being a conversation partner', 'Cooperation', 'Effective relationships', 'Empathy', 'Independence', 'Open-mindedness', 'Style flexibility' and 'Wide orientation'. However, six out of the ten competencies were found through interviewing the ten respondents, which makes the results not very generalizable.

Ulrich (2008) already noticed the growing importance of the strategic contribution of HR professionals, and Marsman (2011) confirmed this thought with her research by distinguishing eleven competencies in the 'Strategic focus' dimension. Again, most of the competencies came up during the interviews; seven out of the eleven competencies were only mentioned by one or two respondents. The competencies Marsman (2011) found were 'Analytical thinking', 'Change management', 'Culture management', 'Entrepreneurship and innovation', 'Feasibility analysis', 'Leadership', 'Market-driven connectivity', 'Organizational commitment', 'Proactivity', 'Results orientation' and 'Strategic involvement'.

Moreover, Marsman (2011) introduces a new dimension, based on Maurer and Weiss (2010), called 'Learning focus'. Although the four found competencies ('Continuous learning', 'Learning by doing', 'Self-knowledge' and 'Self-reflection') were empirically confirmed, the respondents also suggested that this dimension does not exclusively apply to HR professionals but is essential for each working man (Marsman, 2011). In research nothing is found about a 'Learning focus'.

On the whole, the research of Marsman (2011) provides us with an important lesson. The work of Ulrich and colleagues is not universally applicable. Major differences can be found (see the studies of Boselie and Pauwe, 2002; Marsman, 2011).

The newest, sixth round of the HRCS took place in 2012. Again the researchers have identified six categories of competencies, but only the 'Credible activist' corresponds with the categories found in 2007. The other new dimensions are the 'Strategic positioner', 'Capability builder', 'Change champion', 'HR innovator and integrator', 'Technology proponent'. The mean scores on these dimensions were 4.23, 3.89, 3.97, 3.93, 3.90 and 3.74. Elements of the 'Credible activist'-dimension are; 'Earning trust through results', 'Influencing and relating to others', 'Improving through self-awareness', and 'Shaping the HR profession' (The RBL Group, 2012).

The 'Strategic positioner'-dimension means that HR professionals should possess knowledge about the business, the environment and the competitive dynamics in the industry. Customer-oriented business strategies are then developed by applying the knowledge. The factors belonging to this dimension are 'Interpreting the global context', 'Decoding customer expectations', and 'Co-crafting a strategic agenda' (The RBL Group, 2012).

The 'Capability builder' means taking care of the internal organization, developing and building organizational capabilities. These capabilities are referred to as culture, and thus this dimension is (partly) the successor of the 'Culture and change steward'. The sub-factors for this dimension are 'Capitalizing organizational capability', 'Aligning strategy, culture, practices and behavior', 'Creating a meaningful work environment'. The other aspect of culture and change steward has now been categorized as 'Change champion', consisting of two factors: 'Initiating change' and 'Sustaining change'. The authors thus decided to split up the elements again. HR professionals manage change by creating change capacity and ensuring that this capacity is equal to or greater than the rate of change outside the organization.

To make the whole more effective than the sum of the HR parts, a major competency of the HR professional is to integrate HR activities around critical business issues. HR professionals have to know the historical research of HRM and its HR practices in order to innovate with respect to HR practices and find unified solutions to solve future business problems (The RBL Group, 2012). The latest key insights in research are essential, and HR professionals should be able to integrate these insights. Brockbank et al. (2012) therefore configured the dimension of the 'HR innovator and integrator', consisting of the factors; 'Optimizing human capital through workforce planning and analytics', 'Developing talent', 'Shaping organization and communication practices', 'Driving performance', and 'Building leadership brand'.

Technology has become a separate dimension again in that Brockbank et al. (2012) see two major trends in this field. Firstly, social networking is applied to increase and manage communication inside and outside of the organization. Secondly, HR professionals in high-performing firms have greater concern with managing information in terms of bundling usable information and identifying information that should receive focus (Brockbank, Ulrich, Younger, & Ulrich, 2012). The corresponding factors are 'Improving utility of HR operations', 'Connecting people through technology', and 'Leveraging social media tools'.

Conclusions of HRCS 2012 were that HR professionals are best at the 'Credible activist'-dimension, which, however, has the least impact on performance (14%, The RBL Group, 2012). This set of competencies, however, can be a prerequisite of becoming involved in activities that have a greater impact. There are differences in perception of individual performance and real impact on business success. Whereas the 'Strategic positioner' had more influence on individual performance (17%) than impact on business success (15%), the reverse was true for capabilities builder (16% versus 18%). In the 'HR technology'-dimension, HR professionals scored weakest (3.74). Remarkable is then that the associates' perceptions of overall competence were least influenced by this dimension (12%), but when the work was performed well, the impact on business success was substantial with a score of 18% (Brockbank et al., 2012). A figure of HRCS 2012 is included in appendix V.



HR practices must be integrated to create organizational capabilities. This causes significant effects on business performance. Results of effectiveness of HR in 'Capability builder' and 'HR innovator/integrator' enforce this logic. The impact of these two dimensions together was equal to the impact of the technology proponent on its own (Brockbank et al., 2012).

Below in table 2.1. a schematic overview is given of the six HRCS and the study of Marsman (2011).

<i>Study</i>	<i>Relative importance dimensions</i>	<i>Main findings</i>
HRCS 1988	<ul style="list-style-type: none"> <li>- Knowledge of business</li> <li>- HR delivery</li> <li>- Change management</li> </ul>	<ul style="list-style-type: none"> <li>- HR professionals had a unique set of competencies that could be tracked around the world.</li> </ul>
HRCS 1992	<ol style="list-style-type: none"> <li>1. Change management</li> </ol> <ul style="list-style-type: none"> <li>- Personal credibility</li> <li>- Knowledge of business</li> <li>- HR delivery</li> </ul>	<ul style="list-style-type: none"> <li>- Personal credibility was added.</li> <li>- Businesses that experienced low rates of change and that invested in HR, saw that HR had a significant impact on business performance.</li> </ul>
HRCS 1997	<ul style="list-style-type: none"> <li>- Change management</li> <li>- Personal credibility</li> <li>- Knowledge of business</li> <li>- HR delivery</li> <li>- Culture management</li> </ul>	<ul style="list-style-type: none"> <li>- The ability to manage culture was an important factor in the overall view of HR.</li> <li>- Business knowledge and HR delivery had lower impact on HR professionals' individual competency, it were not differentiators.</li> </ul>
HRCS 2002	<ol style="list-style-type: none"> <li>1. Strategic contribution</li> <li>2. Personal credibility</li> <li>3. HR delivery</li> <li>4. Business knowledge</li> <li>5. HR technology</li> </ol>	<ul style="list-style-type: none"> <li>- It was essential to create responsive and market-driven organizations.</li> <li>- Impact of culture on business performance.</li> <li>- Peace of change had fastened.</li> <li>- In high-performing firms, HR professionals were essential.</li> <li>- Staffing and organizational design were important competencies.</li> <li>- Business knowledge was not distinctive anymore for high- or low-performing HR professionals.</li> </ul>
HRCS 2007	<ol style="list-style-type: none"> <li>1. Credible Activist</li> <li>2. Culture &amp; Change Steward</li> <li>3. Talent Manager/ Organizational Designer</li> <li>4. Strategy Architect</li> <li>5. Operational Executor</li> <li>6. Business Ally</li> </ol>	<ul style="list-style-type: none"> <li>- Business Ally and Operational Executor roles were supportive for the other roles.</li> <li>- Differences in perception for HR and non-HR.</li> <li>- Differences in traditional vs. emerging markets.</li> <li>- Organization design has become equally important as talent management.</li> <li>- Culture management as unique dimension.</li> <li>- Business impact 20%.</li> <li>- Alignment of HR organization with HR strategy leads to better business results.</li> </ul>
Marsman 2011	<ul style="list-style-type: none"> <li>- Personal credibility</li> <li>- Strategic focus</li> <li>- Business focus</li> <li>- Learning focus</li> <li>- HR delivery</li> </ul>	<ul style="list-style-type: none"> <li>- A more extensive set of HRM competencies.</li> <li>- Dimension "continuously learning" should also be possessed by other employees.</li> <li>- The existence of contingencies; company size, type, scope and position.</li> </ul>

	- HR technology	
HRCS 2012	1. Credible activist 2. Strategic positioner 3. HR integrator/innovator 4. Capability builder 5. Change champion 6. Technology proponent	<ul style="list-style-type: none"> <li>- There were opportunities for HR to make a difference.</li> <li>- Change has become so critical that it has to become a separate element in the model.</li> <li>- These dimensions not only showed what an effective HR professional should do, but also how an HR professional should be effective to business.</li> <li>- Strategic positioner and capability builder were important for business.</li> </ul>

Table 2.1. List of HR competencies research 1988-2012.

### 2.1.2. Identified contingencies

From the literature of the previous paragraph, contingencies can be identified. We return to the start of the competency research with the book of Boyatzis (1982). Boyatzis (1982) identified competencies that enhance managerial effectiveness. However, while the competencies seem related to managerial effectiveness, there are some comments. 'Use of socialized power' was merely a competency for the general manager, 'Managing group processes' was a competency not meant for entry-level jobs ( $t = 0$  for entry-level managers with superior performance, instead of  $t = .796$  and  $t = .537$  for middle- and executive-management level with superior performance). While 'Accurate self-assessment' and 'Positive regard' were threshold competencies, 'Accurate self-assessment' had a small relationship to effectiveness for entry level managers ( $0$  for poor performance at entry level,  $.346$  for average performance at entry level, with  $p = .0005$ ). 'Positive regard' was only for middle level managers (poor =  $.184$ , average =  $.200$ , superior =  $.389$  with  $p = .062$  for poor vs. superior and  $p = .045$  for average vs. superior). Furthermore, there was a difference in sectors for the competency 'Managing group processes', the competency was more demonstrated in the private sector than in the public sector ( $.687$  for the private sector and  $.403$  for the public sector,  $p = .066$ ).

In short, according to Boyatzis (1982) there are some contingencies in measuring competencies. The type of sector and type of level as a manager played a role. The type of sector as a business context factor can be explained by the role behavior employees need to have in order to be successful in the particular sector. HR professionals are there to stimulate workers, and then their HR competencies become essential. Therefore, in any type of sector, different HR competencies should be needed, which makes the best-fit approach necessary.

Type of level could be a business context factor because HR professionals of a higher level should demonstrate a higher degree of being competent than lower-level HR professionals (Mansfield, 1996). Furthermore, general competencies and type of manager were business context factors. However, it needs to be remarked that these relationships were not strong. General competencies could be of complementary value to HR competencies, this could influence the degree of competency for an HR professional. Type of manager could be a business context factor because the one manager relies heavily on technology and therefore shows a high score in the technology dimension of competencies, whereas the other manager is excellent in strategic decisions, demonstrating a high degree of competence in the dimension of strategic contribution (Boyatzis, 1982).

For the variable 'geography', Ulrich et al. (1995) distinguish between non-US and US, and found some differences. Knowledge of business showed a large difference with regard to geography (score of

17.1 for US and 26.9 for non-US). With regard to delivery of HR the findings were a score of 22.3 for US and 26.9 for non-US, for management of change it was 41.1 for US and 34.8 for non-US. Non-US HR professionals need to have a more balanced competency-set in order to be successful. The management of change was more important for US HR professionals than non-US.

The relationship of geography in relation with competencies could be explained with culture. Aycan, Kanungo and Sinha (1999) drew a sample of Indian and Canadian managers and employees. From the sample they extracted the result that national cultures influence organizational cultures which in turn influence HR practices (Aycan, Kanungo, & Sinha, 1999).

Aycan, Kanungo and Sinha (1999) found the following correlations; " 'Loyalty toward community' and 'Obligation toward others' ( $r_{\text{Canada}} = .04$ ,  $r_{\text{India}} = .21$ ,  $p < .01$ ), 'Paternalism' and 'Participation' ( $r_{\text{Canada}} = .13$ ,  $r_{\text{India}} = .37$ ,  $p < .001$ ), 'Paternalism' and 'Goal setting' ( $r_{\text{Canada}} = .04$ ,  $r_{\text{India}} = .27$ ,  $p < .001$ ), and 'Paternalism' and 'Empowerment' ( $r_{\text{Canada}} = .13$ ,  $r_{\text{India}} = .35$ ,  $p < .001$ ). Each of the preceding relationships were stronger in the Indian sample than in the Canadian sample" (Aycan, Kanungo, & Sinha, 1999, p. 516). Whereby 'Loyalty toward community' and 'Paternalism' were elements of the socio-cultural environment, 'Obligation towards others' and 'Participation' were elements of the internal work culture and 'Goal setting' and 'Empowerment' were HR practices.

As different organizational cultures imply different HR practices, also HR competencies differ. Then, organizational culture is contingent upon HR competencies. It is therefore interesting to investigate whether the results of Ulrich et al. (1995) mean that organizational culture is contingent upon HR competencies.

According to Becker and Gerhart (1998) globalization is one of the phenomena that characterized the rapid changing economic environment (for example in technology, investor and customer demands). DeSimone et al. (2002) describes that the consequences of the globalization were that companies introduce new technologies. In turn, this leads to other requirements in the labor force; higher skilled and trained personnel is needed. Next to that, globalization leads companies to new markets (Ulrich, 2008). These markets lead to new opportunities but also challenges. Culture in these new environments is different. The competency of 1997's HRCS 'culture management' is becoming more important. Jackson and Schuler (1995) indicate the existence of national culture as contingency factor in HRM, and they take also the perspective of globalization in relation to the necessity of possessing knowledge about cultures. Other countries and their cultures matter.

Paauwe and Boselie (2005) focused on the European context. The focus on Europe out of the global HRCS survey (2002) delivered some differences. They found only a correlation for the 'strategic contribution'-dimension and financial competitiveness (0.10,  $p = 0.05$ ) and a negative correlation for the 'HR technology'-dimension and financial competitiveness (-0.10,  $p = 0.05$ ). These results are not in line with the global survey. In the global HRCS survey (2002) four out of five dimensions were positively correlated to performance. Paauwe and Boselie (2005) found a positive relationship between relative ranking of HR function and financial competitiveness (0.13,  $p = 0.05$ ). Next to that, all dimensions were correlated to each other, found Paauwe and Boselie (2005).

The most important finding of Paauwe and Boselie (2005) is that 'Personal credibility' and 'HR delivery' had a positive effect on the relative ranking of the HR function and its HR professionals. Financial competitiveness could be achieved through strategic contribution according to non-HR respondents, but HR respondents thought that business knowledge is deemed to result in financial competitiveness. Thus, the results for these two types of respondents vary and this should be taken into account if other respondents than HR professionals are used.

The difference between Europe and the United States can be explained by the cultural difference within countries, referring to the contingent relationship of culture with HRM. About culture, Marsman (2011) suggests the existence of a contingent relationship with culture. She elaborated about cultural differences in Europe (raised by Paauwe and Boselie, 2005). Since national culture affects organizational culture and the study of Paauwe and Boselie (2005) shows differences in regions, the statement of investigating organizational culture as a business context factor is reinforced. This leads us to the hypothesis:

*Hypothesis 1: The organizational culture of an organization the HR professional works for influences the set of HR competencies of the HR professional.*

Next to that, what are the influences of other countries on HRM and in particular on HR competencies? In line with the globalization trends of today the following hypothesis is set:

*Hypothesis 2: Whether the organization the HR professional works for does business abroad or not, influences the set of HR competencies of the HR professional.*

Valverde et al. (2006) describes the HRM function consisting of more actors than only the HR department. Whereas most research is focused solely upon the HR department, the HRM function is much broader. According to Valverde et al. (2006), also line management, top management and external HR agencies play a role in the process. The main value of the paper by Valverde et al. (2006) is its integration of various studies into one assessing all roles and responsibilities across the different actors. The distribution of the roles and responsibilities is the focus of the paper, although the authors devoted substantial attention to the contingencies of these roles and responsibilities.

Valverde et al. (2006) identified seven HR activities ('Strategic decision-making and leadership', 'Operational decisions and daily people management', 'Service delivery', 'Policy making and diagnostics', 'Monitoring and follow-up activities', 'High level specialist HRM', and 'Administrative and technical activities'). For example, top management was mainly involved with strategic decision-making and leadership, while administrative and technical activities were merely tasks for the HR department.

The results further show seven groups of organizations, in which the organization of the HR function differ. It goes beyond the scope of the paper to describe all groups in detail, but Valverde et al. (2006) for example found organizations whereby HR activities were equally distributed among internal actors, organizations whereby HR activities were organized as the exclusive domain of the HR department but also a group of organizations whereby a range of HR activities were (partially) outsourced.

Going back to the contingencies this paper focuses on, also Valverde et al. (2006) indicated that the organizational context influences the HRM function and HR competencies. Valverde et al. (2006) 'found some differences' for the contextual variable 'sector', although it was limited to certain groups. However, Jackson and Schuler (1995) also describe 'industry characteristics' as an important business context factor. According to Jackson and Schuler (1995), characteristics of an industry may have far-reaching implications for HRM. "Industries, like national cultures, are the contexts within which meanings are construed, effectiveness is defined, and behaviors are evaluated" (Jackson and Schuler, 1995, p. 252). Especially the last element of this citation is interesting. Behavior is shaped by the HR professionals, whereby their HR competencies are the means to accomplish the shaping of behavior. Research drawing on this business context factor is numerous (Jackson & Schuler, 1995). Therefore, a possible relationship between type of industry and HR competencies may exist. Drawing back upon the work of Boyatzis (1982), who also investigated a relationship between type of industry and HRM, this results in the following hypothesis:

*Hypothesis 3: The type of industry the HR professional works in, influences the set of HR competencies of the HR professional.*

Ulrich et al. (1995) found that HR professionals in businesses with more than 20,000 employees required less knowledge, skills and abilities, since they scored lower on all three dimensions (16.5, 20.1, 34.9 instead of 20.6, 20.9 and 46.2 or higher on smaller businesses). According to Ulrich et al. (1995) large businesses require less skilled HR professionals because market dominance is key in achieving business success rather than competency.

Bayo-Moriones and Merino-Díaz de Cerio (2001) give several reasons why company size should be contingent upon HRM. They declare that larger firms have a separate HR department available for HR issues, whereas in smaller firms the product-line manager takes the HR responsibilities. Consequently, in larger firms, HR professionals possess more expertise than HR professionals in smaller firms. This expertise can be translated to competencies, meaning that company size affects HR competencies. The rationale for a contingency effect of company size upon HR competencies is interesting, although no substantial empirical evidence has been found.

Valverde et al. (2006) did not find evidence for influence of this contextual variable on the HR system. However, Valverde et al. (2006) focused on organizations with 200 employees or more. It is known that the HR function is organized in a different way in smaller organizations or organizations of different sizes (Deshpande & Golhar, 1994; Marsman, 2011; Mayson & Barrett, 2006a, 2006b). Also Jackson and Schuler (1995) and Marsman (2011) indicated the existence of a business context factor 'firm size'. Jackson and Schuler (1995) based their assumptions on institutional theory, which dictates larger organizations to use more advanced and socially responsive HRM activities, because larger organizations are more visible and feel therefore more pressure to gain social legitimacy (also explained by Bayo-Moriones and Merino-Díaz de Cerio, 2001). Next to that, Bayo-Moriones and Merino-Díaz de Cerio (2001) and Ulrich et al. (1995) reinforce the necessity of investigating HRM in relation with firm size. The following hypothesis is investigated:

*Hypothesis 4: The firm size of the organization the HR professional works for, influences the set of HR competencies of the HR professional.*

Other contingencies Valverde et al. (2006) measured, did not produce any significant relationships. However, the significance was based upon the difference between the seven formulated groups. Other variables as structure, technological system, employee characteristics, environment, culture and characteristics of the HR function could play a role in the research without taken into account the seven groups. Taken one group into detail, for example, could lead to very different results (Valverde et al., 2006).

Jackson and Schuler (1995) indicate that organization structure (the allocation of tasks and responsibilities among individuals and departments) has an influence on HRM. The social system of an organization and its relationships are shaped by the structure it is forced to work in. Basic organization structures are divisionalized, functional and matrix forms (Boddy, 2008; Jackson & Schuler, 1995). The following hypothesis is then worth investigating:

*Hypothesis 5: The organizational structure of the organization the HR professional works for, influences the set of HR competencies of the HR professional.*

While the HRCS round of 2007 did not pay attention to business context factors, the importance of this concept was recognized. Five years later, in the 2012 round of HRCS, the remarkable role of technology was noticed. The impact of technology is substantial. The degree of technology in an organization determines that HR professionals should possess knowledge about this aspect. What if technology is less used? This could be relevant in this research and be a potential business context factor.

Emerging within the field of HRM is the concept of e-HRM. The greater use of IT within HRM has changed the HRM function dramatically. Haines and Lafleur (2008) found a relationship between the use of IT and a greater involvement of HR professional on strategic level. The use of IT in HRM has started with automating routine administrative tasks. Now we have the availability of more advanced technology including Human Resource Information Systems (HRIS) which gives HR professionals more room to engage in strategic roles (Haines & Lafleur, 2008).

Critical in the development of e-HRM is the increasing importance of technological expertise among HR professionals (Bell et al., 2006). Results of the study by Bell et al. (2006) were that knowledge of business and functional HR delivery have become more important HR competencies, as a result of the impact of e-HR. Remarkably, technological expertise comes only as third important. On the whole, the interviewed executives indicated that the focus was less upon administrative, routine tasks rather than HR deliveries that add value. The results Bell et al. (2006) show are promising, although only 19 executives from firms out of the Fortune 500 are interviewed. The generalizability of the sample was low, but it gives some insights. The data suggested that e-HR is the main driver behind the transformation of the HR function. Thus, this aspect of technology is particularly important for HRM. Given the actuality of e-HRM and the recognition of a possible relationship between technology and HRM, the hypothesis is formulated:

*Hypothesis 6: The degree to which technology is used within the organization the HR professional works for influences the set of HR competencies of the HR professional, in particular HR competencies concerning HR technology.*

A recent development in the organization of HRM is the upcoming of HR Shared Service Models (HR SSM). Often referred to as HR Shared Service Centers (HR SSC), which is an incomplete term for the phenomenon because it is associated with only administrative tasks, the transactional part of HRM (Maatman, Bondarouk, & Looise, 2010). According to Maatman et al. (2010) the adoption of HR SSM should not be considered as bundling administrative capacity in the centre to provide shared services, but as an attempt to restructure the HRM function, its tasks and responsibilities. In this way, the development of HR SSM could also be contingent upon HR competencies. In other words, the organization of the HR function could be a business context factor.

The purpose of HR SSM is to invoke the advantages of both centralization and decentralization models, while minimizing the disadvantages of these models (Maatman et al., 2010). Combined advantages are then pooled experience, enhanced career progression, independent of business, synergies, lean and flat organization, recognition of group functions and dissemination of best practices. The underlying factor of the rise of HR SSM is a different organization of the HR function, which could influence the necessary HR competencies for HR professionals.

Finally, I want to pay attention to the concept of business strategy. The link between strategy and HRM is extensively investigated. For example, Michie and Sheehan (2005) found a positive relationship between HR and performance, depending on strategy. Given that strategy is a moderator in the relationship between HR and performance, I expect that strategy may also influence HR competencies. Jackson and Schuler (1995) also notice the importance of business strategy in relation to HRM.

Typologies of business strategy include work of Porter (1985) and Miles and Snow (1978). Miles and Snow (1978) distinguish between prospectors, defenders and analyzers as strategies with a consistent pattern of actions and add a reactor-strategy as a strategy having an inconsistent pattern of actions. Prospectors are actively seeking new products and markets whereas defender remain in their existing market and exploit this market as fully as possible with emphasis on high volume and low cost (Miles & Snow, 1978). Analyzers are more predictable and develop their products internally rather than seeking new markets. Reactors are acting upon changes in the environment. Jackson and Schuler (1995) describe implications of HRM for these attitudes towards the environment. Defenders are less concerned about the recruitment of applicants externally and more focused on develop existing employees internally. In contrast, prospectors are focused on recruiting externally and less focused on development of their employees.

The competitive strategies of Porter (1985) are cost leadership, differentiation and market focus. Schuler and Jackson (1987) use role behavior theory in order to explain the link between HRM and business strategy, based on an adapted version of Porter's (1985) typology. The rationale Schuler and Jackson (1987) developed is based on what employees need to perform tasks, apart from specific skills, knowledge and abilities (SKAs, competencies). Several role behaviors are instrumental for particular competitive strategies (Schuler & Jackson, 1987). Relatively repetitive behavior, short-term

focus, autonomous activity, high concern for quantity output and low risk-taking activity are characteristics of behavior belonging to the cost leadership strategy. Highly creative behavior, interdependent behavior, longer-term focus and a greater degree of risk-taking belong to a differentiation strategy.

In particular the assumptions Schuler and Jackson (1987) make about the typology of Porter in relation to role behavior leads to the expectation that there is a relationship between HR competencies and business strategy. Schuler and Jackson (1987) describe the relationship in perspective of what employees need in order to fulfill the business strategy, which is competencies on the one hand and a particular role behavior on the other hand. What does apply to employees, may also apply to HR professionals. Therefore business strategy may be a business context factor for HR competencies.

In HRM research, much studies investigate the relationship between HR and business strategy. Therefore it is interesting also to include strategy as a business context factor in this research. Delery and Doty (1996) investigated the relationship between HR practices and financial performance, with a contingent relationship of 'strategy'. After a post hoc analysis and including all HR practices they found a marginal significance for Return On Equity ( $R^2 = 0.87$ ,  $F = 1.82$ ,  $p < .10$ ) and almost marginal significance for Return On Assets ( $R^2 = 0.81$ ,  $F = 1.68$ ,  $p = .13$ ). Although significance was marginal, it is an interesting finding. The following hypothesis is formulated:

*Hypothesis 7: The type of business strategy of the organization the HR professional works for, influences the set of HR competencies of the HR professional.*

In table 2.2 an overview of the identified contingencies is presented.

<u>Business context factor</u>	<u>Source</u>
Organizational culture (Hypothesis 1)	Valverde et al., 2006; Ulrich, 2008; Ulrich et al., 1995; Jackson and Schuler, 1995
Internationalization (Hypothesis 2)	Boyatzis, 1982; Jackson and Schuler, 1995; Valverde et al., 2006
Type of industry (Hypothesis 3)	Valverde et al., 2006; Marsman, 2011; Jackson and Schuler, 1995
Firm size (Hypothesis 4)	Valverde et al., 2006; Jackson and Schuler, 1995
Organizational structure (Hypothesis 5)	Valverde et al., 2006; Bell et al., 2006; Brockbank et al., 2012
Use of technology (Hypothesis 6)	DeSimone, 2002; Becker & Gerhart, 1998; Jackson and Schuler, 1995
Type of business strategy (Hypothesis 7)	Michie and Sheehan, 2005; Jackson and Schuler, 1995; Porter, 1985; Miles and Snow, 1978

Table 2.2. List of business context factors.

## 2.2. Research frame

Having described HR competencies and the business environment, we come to a concluding overview. As to contingencies, table 2.2. provides a list with found contingencies. These are business context factors that can be extracted from (HRM) literature. The business context factors are selected on the basis of empirical evidence and common use in literature. In the end, I come to seven



variables that are most important in the internal environment: organizational culture, internationalization, type of industry, firm size, organizational structure, use of technology and type of business strategy.

For the HR competencies we compare the recently published results of HRCS 2012 (Brockbank et al., 2012), the results of the previous round of HRCS in 2007 (Ulrich, 2008) and the results of Marsman (2011).

Three tables are composed, comparing HRCS 2007 with HRCS 2012, HRCS 2007 with Marsman (2011) and comparing HRCS 2012 with Marsman (2011). The dimensions and factors are chosen based on presence in two or three compared studies, empirical evidence for the importance of the concepts and uniqueness for the HR professional. Next to that, I have chosen most of the dimensions Marsman (2011) used, because they seem more familiar to HR practitioners according to Marsman (2011), and these designations indicate better that these are dimensions instead of roles.

Marsman's (2011) work is however also characterized by competencies that are not unique for the HR professional. Ulrich (2008, 2012) furthermore used more complete terms than Marsman (2011) did. From the results of Marsman (2011) came forward a narrow type of competencies, but remarkable is that most of these competencies could be classified under one of Ulrich's competencies. Since the results of 2012 are relatively new, most of the competencies are adapted from the 2007 HRCS, because these competencies should be more understandable. Because the results of Marsman (2011) lie closer to practice, in developing the items for the questionnaire, I take a close look at including some elements from Marsman's (2011) research. In the tables, type of argument for (not) including the element is indicated by colour.

<u>HRCS 2007</u>		<u>Marsman 2011</u>	
<u>Dimension</u>	<u>Factors</u>	<u>Dimension</u>	<u>Factors</u>
<b>Business ally</b>	- Interpreting social context	<b>Business focus</b>	- Business knowledge
	- Articulating the value proposition		- Organization sensitivity
	- Serving the value chain	<b>HR technology</b>	- Facilitating skills
	- Leveraging business technology		- Knowledge of HR technology
- Advancing HR technology	- Operational knowledge		
<b>Operational executor</b>	- Implementing workplace policies	<b>HR delivery</b>	- Legal compliance
	- Developing talent		- HR organization capability
<b>Talent manager / Organization designer</b>	- Ensuring today's and tomorrow's talent		- Development
	- Shaping organization		- Staffing
	- Designing rewards systems		- Structure
			- Performance management
			- HR measurement

	- Fostering communication		
<b>Credible activist</b>	- Sharing information	<b>Personal credibility</b>	- Communication skills
	- Delivering results with integrity		- Cooperation
	- Building relationships of trust		- Conversation partner
	- Doing HR with an attitude		- Achieving results
			- Effective relationships
<b>Strategic architect</b>	- Sustaining strategic agility	<b>Strategic focus</b>	- Empathy
			- Independence
			- Open-mindedness
	- Engaging customers		- Style flexibility
			- Wide orientation
<b>Culture and change steward</b>	- Crafting culture	- Proactivity	- Leadership
	- Enacting culture	- Entrepreneurship and innovation	- Feasibility analysis
	- Personalizing culture	- Market-driven connectivity	- Strategic involvement
	- Facilitating change		
			- Analytical thinking
			- Organizational commitment
			- Result orientation
			- Culture management
			- Change management
		<b>Learning focus</b>	- Continuous learning
			- Learn by doing
			- Self-knowledge
			- Self-reflection
			- Developmental/learning orientation
			- Inner work standards
			- Scholastic attitude

Table 2.3. Comparison HRCS 2007 with Marsman (2011).

  Used but redefined    
   Not used because not empirically confirmed  
  Used    
   Not used because not distinctive for an HR professional's effectiveness

<b>Marsman 2011</b>		<b>HRCS 2012</b>	
<i>Dimension</i>	<i>Factors</i>	<i>Dimension</i>	<i>Factors</i>
<b>Personal credibility</b>	- Achieving results	<b>Credible activist</b>	- Earning trust through results
	- Conversation partner		- Improving through self-awareness
	- Cooperation		- Influencing and relating to others
	- Effective relationships		
	- Communication skills		
	- Empathy		- Shaping the HR profession

	<ul style="list-style-type: none"> <li>- Independence</li> <li>- Open-mindedness</li> <li>- Style flexibility</li> <li>- Wide orientation</li> </ul>				
<b>Strategic focus</b>	<ul style="list-style-type: none"> <li>- Change management</li> </ul>	<b>Change champion</b>	<ul style="list-style-type: none"> <li>- Sustaining Change</li> <li>- Initiating Change</li> </ul>		
	<ul style="list-style-type: none"> <li>- Proactivity</li> <li>- Leadership</li> <li>- Entrepreneurship and innovation</li> <li>- Feasibility analysis</li> <li>- Strategic involvement</li> <li>- Market-driven connectivity</li> </ul>	<b>Strategic positioner</b>	<ul style="list-style-type: none"> <li>- Co-crafting a strategic agenda</li> </ul>		
			<ul style="list-style-type: none"> <li>- Decoding customer expectations</li> </ul>		
	<ul style="list-style-type: none"> <li>- Organizational commitment</li> <li>- Result orientation</li> <li>- Analytical thinking</li> </ul>				
	<b>Business focus</b>		<ul style="list-style-type: none"> <li>- Business knowledge</li> <li>- Organization sensitivity</li> </ul>	<ul style="list-style-type: none"> <li>- Interpreting global business context</li> </ul>	
	<b>HR delivery</b>		<ul style="list-style-type: none"> <li>- Staffing</li> </ul>	<b>HR innovator/integrator</b>	<ul style="list-style-type: none"> <li>- Optimizing human capital through workforce planning and analytics</li> </ul>
			<ul style="list-style-type: none"> <li>- Performance management</li> </ul>		<ul style="list-style-type: none"> <li>- Driving performance</li> </ul>
					<ul style="list-style-type: none"> <li>- Building leadership brand</li> </ul>
<ul style="list-style-type: none"> <li>- Development</li> </ul>			<ul style="list-style-type: none"> <li>- Developing talent</li> </ul>		
<ul style="list-style-type: none"> <li>- HR measurement</li> <li>- Structure</li> <li>- Legal compliance</li> <li>- Operational knowledge</li> <li>- HR organization capability</li> </ul>		<ul style="list-style-type: none"> <li>- Shaping organization and communication practices</li> </ul>			
		<ul style="list-style-type: none"> <li>- Culture management*</li> </ul>	<b>Capability builder</b>		<ul style="list-style-type: none"> <li>- Capitalizing organizational capability</li> <li>- Aligning strategy, culture, practices, and behavior</li> <li>- Creating a meaningful work environment</li> </ul>
<b>HR technology</b>	<ul style="list-style-type: none"> <li>- Facilitating skills</li> </ul>	<b>Technology proponent</b>	<ul style="list-style-type: none"> <li>- Connecting people through technology</li> <li>- Leveraging social media tools</li> <li>- Improving utility of HR operations</li> </ul>		
	<ul style="list-style-type: none"> <li>- Knowledge of HR technology</li> </ul>				
<b>Learning focus</b>	<ul style="list-style-type: none"> <li>- Continuous learning</li> <li>- Learn by doing</li> <li>- Self-knowledge</li> <li>- Self-reflection</li> </ul>				

	- Developmental/learning orientation	
	- Inner work standards	
	- Scholastic attitude	

Table 2.4. Comparison Marsman (2011) with HRCS 2012.

\* Belongs to dimension 'Strategic focus'.





	Used but redefined		Not used because not empirically confirmed
	Used		Not used because not distinctive for an HR professional's effectiveness

<i>HRCS 2007</i>		<i>HRCS 2012</i>	
<i>Dimension</i>	<i>Factors</i>	<i>Dimension</i>	<i>Factors</i>
<b><i>Credible activist</i></b>	- Delivering results with integrity	<b><i>Credible activist</i></b>	- Earning trust through results
	- Sharing information		- Improving through self-awareness
	- Building relationships of trust		- Influencing and relating to others
	- Doing HR with an attitude		- Shaping the HR profession
<b><i>Strategic architect</i></b>	- Sustaining strategic agility	<b><i>Strategic positioner</i></b>	- Co-crafting a strategic agenda
	- Engaging customers		- Decoding customer expectations
<b><i>Business ally</i></b>	- Interpreting social context		- Interpreting global business context
	- Serving the value chain	<b><i>Technology proponent</i></b>	- Leveraging social media tools
	- Articulating the value proposition		- Connecting people through technology
<b><i>Operational executor</i></b>	- Leveraging business technology	- Improving utility of HR operations	
	- Advancing HR technology	- Optimizing human capital through workforce planning and analytics	
<b><i>Talent manager / Organization designer</i></b>	- Implementing workplace policies	- Driving performance	
	- Developing talent	- Developing talent	
	- Ensuring today's and tomorrow's talent		
	- Shaping organization	- Shaping organization and communication practices	
	- Designing rewards systems		
	- Fostering communication		
<b><i>Culture and change</i></b>		<b><i>Capability builder</i></b>	- Capitalizing organizational capability
	- Crafting culture	- Aligning strategy, culture, practices, and behavior	
	- Enacting culture		

<b>steward</b>	- Personalizing culture		- Creating a meaningful work environment
	- Facilitating change	<b>Change champion</b>	- Initiating Change - Sustaining Change

Table 2.5. Comparison HRCS 2007 with HRCS 2012.

\* Belonging to dimension 'HR innovator/integrator' instead of 'Strategic positioner'.

	Used but redefined		Not used because not empirically confirmed
	Used		Not used because not distinctive for an HR professional's effectiveness

The dimension 'Personal credibility' is added to research frame, equal to the research of Marsman (2011), since all three studies used this dimension. Next to that, the dimension scored high on importance in predicting effectiveness in HRCS 2007 and scored highest as dimension at which the HR professional is best at in HRCS 2012 (HRCS project team, 2011a; The RBL Group, 2012). This dimension consists of delivering results with integrity, sharing information, building relationships of trust and doing HR with an attitude.

The second dimension is also adapted from Marsman (2011) and is called 'Strategic focus'. In this dimension, culture and change management and business knowledge (seen from a global perspective; interpreting the global business context) as well are included. Moreover, an HR professional should be skilled in sustaining strategic agility and engaging customers. Culture and change aspects were in the 4<sup>th</sup> HRCS round of Ulrich and colleagues included in 'Strategic contribution' (Marsman, 2011). Next to that, culture can be seen as a source of sustainable advantage and furthermore organizational culture should be coupled with the business strategy (Cabrera & Bonache, 1999; Fiol, 1991).

The third dimension is 'HR technology'. From the previous text came forward the important role of technology nowadays. HR technology should therefore be a separate dimension in line with Marsman (2011) and Brockbank et al. (2012). Only taking care of leveraging business technology is not enough, advancing is also important because of changes in the business context as is described thoroughly in this paper.

The last dimension is 'HR innovation and integration'. Only delivering HR practices is not enough, a true HR professional should integrate these practices with the existing policies and practices in the business. Therefore the competencies shaping and above all implementing practices and policies are included. Besides, developing talent is included. Below I give a schematic overview of the selected competencies and their definitions.

<b>Personal credibility: Being credible in personal and interpersonal relationships with all parties HR professionals serve (Boselie &amp; Paauwe, 2005).</b>	
<i>Delivering results with integrity</i>	Delivering the right results in the right way, with a focus on meeting pre-negotiated or pre-stated commitments, striving to be error free, ask important questions that help to frame complex ideas in useful ways, achieve results without violating moral principles or compromising on ethics and values and taking

	responsibility for actions and their consequences (Ulrich et al., 2008).
<i>Building relationships of trust</i>	Relationship building, strong interpersonal skills, creating an atmosphere of trust that results in positive working relationships with key internal and external constituents (Ulrich et al., 2008).
<i>Doing HR with an attitude</i>	Taking appropriate risks, both personally and for the organization, providing candid observations, influencing others, anticipating problems (Ulrich et al., 2008).
<i>Communication skills</i>	To have effective written and verbal communication skills to clearly communicate critical messages for organizational success (Storey, Wright & Ulrich, 2009).
<b>Strategic focus: focus on occupying on the strategic level (Marsman, 2011).</b>	
<i>Change management</i>	Change management is the process, tools and techniques to manage the people side of change to achieve the required business outcome. Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change (Creasey, 2009).
<i>Culture management</i>	To appreciate, articulate, and help shape a company's culture that is consistent with the requirements of the external customers, the business strategy and the employees. Also to design and deliver HR practices that translate and enforce the culture into the right employee attitudes and behaviors (Ulrich et al., 2007; Storey et al., 2009).
<i>Interpreting global business context</i>	Being deeply knowledgeable of and able to translate external business trends (globalization of business, political, social and demographic and governmental trends) into internal decisions and actions (The RBL Group, 2012; Ulrich et al., 2008).
<i>Sustaining strategic agility</i>	Understand business strategy and align HR practices with it.
<i>Engaging customers</i>	Facilitating the dissemination of customer information throughout the organization, contributing to the building of the company's brand with customers, shareholders and employees, facilitating the integrations of different business functions, reducing or eliminating work that ultimately adds little or no value to the external customer.
<b>HR technology: Using HR applications to help accomplish HR tasks (Storey, Wright &amp; Ulrich, 2009).</b>	
<i>Leveraging business technology</i>	Being aware of, able to leverage new emerging technologies, e-commerce, production and manufacturing processes, design of work processes, computer information systems (Ulrich et al., 2008).
<i>Advancing HR technology</i>	Applying electronic technology to HR administrative services, offering HR services 'at the click of a mouse' (Ulrich et al., 2008).
<b>HR innovator/integrator: integrating innovative HR practices into unified solutions to business problems, knowing latest insights on key HR practice areas related to talent sourcing, talent development, performance management, work and organization design, and leadership brand, be able to turn these unique HR practice areas into integrated solutions that match business requirements (The RBL Group, 2012).</b>	
<i>Shaping organization and communication practices</i>	Change interventions and organizational level, structuring the organization so that it can meet its strategic goals, facilitating and designing internal communication processes (how information moves into, out of, and through the company), developing a

	comprehensive internal communication strategy and plan (Ulrich et al., 2008).
<i>Staffing</i>	The ability to develop comprehensive staffing processes (Storey et al., 2009). Responsibility for finding, mining and aligning the talent needed by a business, now and in the future (Ulrich et al., 2008).
<i>Developing talent</i>	Actively setting performance standards for these talents, providing means for development, producing mechanisms for measurement, and giving appropriate and timely feedback (Ulrich et al., 2008).
<i>Implementing workplace policies</i>	Managing labor policies and procedures, understanding labor legislation in the industry (also legal rights of the work at work), managing the arrangement of physical space and workplace environment, designing flexible work schedules that fulfill the needs of the business while accommodating the needs of individual employees (Ulrich et al., 2008).

Table 2.6. The HR competencies used.

Eventually I come up with the research model that consists of four dimensions of HR competencies and seven business context factors. The figure is depicted below.

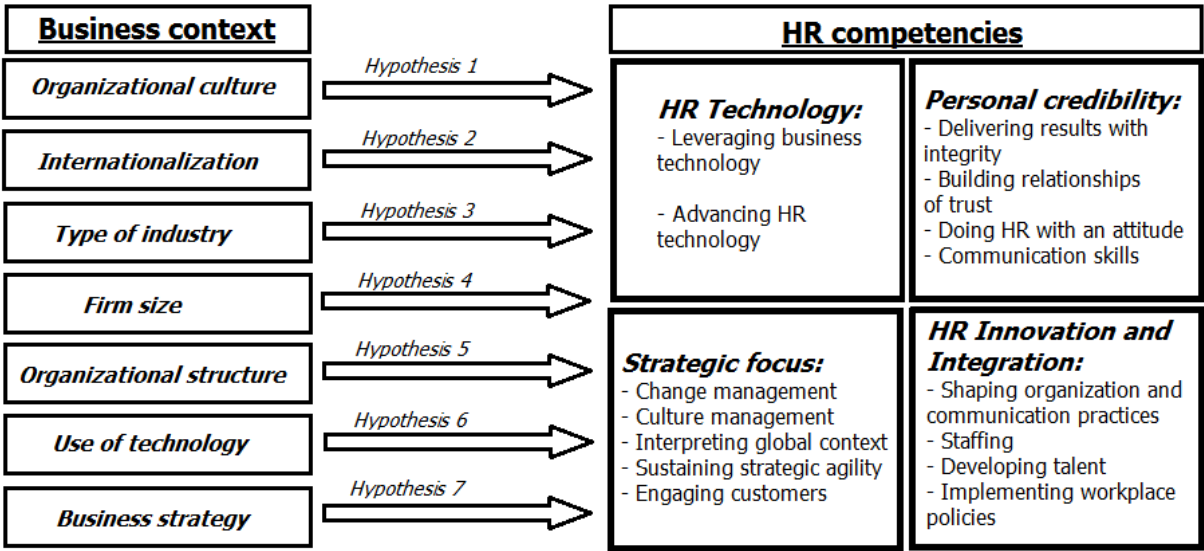


Figure 2.1. Research frame

### **3. Methodology**

#### **3.1. Research design**

In order to answer the research question from chapter 1 (What business context factors influence the HR competencies for HR professionals?), the research frame as formulated in chapter 2 has been tested through seven hypotheses. Although the subject is rather explorative, and explorative studies are mostly conducted using a qualitative approach (Alvesson & Sköldbberg, 2009), a quantitative approach was taken. Firstly, because in HR competencies research (Ulrich et al., 2008; Valverde et al., 2006) a quantitative approach is often used. Secondly, as Valverde et al. (2006) notice, the phenomena (almost the same phenomena as in this research) under study are merely objective and factual. Thirdly, in order to be able to generalize to a large(r) extent, a broader sample is necessary. Therefore a survey has been conducted among HR professionals within the Netherlands.

##### ***3.1.1. Sampling***

The sample comprised HR professionals in the Netherlands. A broad definition of 'HR professional' was taken; everyone who works in areas like HR, personnel management and personnel and organization, from all levels. Administrative personnel workers, HR executives, HR managers, HR advisors and HR directors were all suitable for the survey. This definition of 'HR professional' was broadened to increase statistical power and generalizability.

Because only conducting the survey within one organization was not representative, networks of HR professionals in the Netherlands were used. Social media like Facebook and LinkedIn formed entries towards networks and communities of HR professionals. In LinkedIn communities 'Dutch HR/HRM/P&O professionals', 'HR Nederland', 'HR professionals Netherlands | HRM | Human Resources', 'HR community | Nederland (HR – HRD – HRM – Change)' and 'UT alumni' were calls placed to fill in the questionnaire. A message about the questionnaire was also placed on walls at Facebook.

Besides social media, also websites with communities of HR professionals were approached to cooperate. The HR top 100 ([www.hrtop100.nl](http://www.hrtop100.nl)) and the Nederlandse Vereniging voor Personeelsmanagement en Organisatieontwikkeling ([www.nvp-plaza.nl](http://www.nvp-plaza.nl)) were approached. CKC seminars inserted a message at their websites and HR agenda.

Next to that, respondents were encouraged to forward the questionnaire. By doing so, it was ensured that these respondents knew the amount of HR people they sent the questionnaire to. Every respondent who forwarded the questionnaire, knew exactly what was expected and what type of respondents were needed.

##### ***3.1.2. Questionnaire development***

The variables measured are the dimensions (consisting of corresponding HR competencies) and the business context factors. The business context factors organizational culture, internationalization, type of industry, firm size, organizational structure, use of technology, and business strategy are considered independent variables. It has been stated that the dimensions of the HR competencies are dependent upon the business context factors. The dimensions of the HR competencies were measured by developing statements belonging to the specific HR competencies and including them



in the questionnaire. The business context factors were investigated through close-ended questions and open-ended questions.

Conducting the survey was done on the basis of a semi-structured questionnaire, in order to give room to the respondent for response options by open-ended questions, and close-ended questions to speed up the data processing.

By the close-ended questions I used Likert scaling (Babbie, 2007). The scale that has been adopted is 7 points, one of the most used scales (Langerak, 2010). The advantage of using a 7 point-scale (in contrast to a 5 point-scale) is that it makes it easier for the respondent to deviate from the 'neutral' option. It causes more variation in the data. The effect is a more nuanced and a more detailed view of the results.

After the development of the questionnaire, a pretest has been conducted in order to test whether the questions were appropriate and well-developed. When adopting items from research of Ulrich (2008), unidimensionality has been ensured. The measure should represent only one dimension of one concept. The items that corresponded with more than one competency were excluded from the questionnaire. Only measures that solely investigated one competency were included.

### **3.2. Operationalization**

After identifying the dimensions and corresponding factors, items for measuring the HR competencies were sought in recent works of Ulrich et al. (2008) and Marsman (2011). The operationalization was based on these two texts. The final items were selected upon criteria of clarity, unidimensionality and justification. The business context factors were operationalized using common literature and standards, as outlined below. All items were translated into Dutch to ensure that the questionnaire was understandable for every respondent.

The business context factor 'organizational culture' has been operationalized by following the typology of Daft (2010). According to Daft (2010), organizational culture can be characteristics along two dimensions: internal/external and flexible/stable. From these dimensions four types of culture come forward: adaptability culture, mission culture, clan culture and bureaucratic culture. In the questionnaire the following descriptions were included to inform the respondent about the types of culture:

- Adaptability culture: Characterized by strategic focus on the external environment through flexibility and change to meet customer needs. Innovation, creativity and risk taking are valued and rewarded.
- Mission culture: Emphasis on a clear vision of the organization's purpose and on the achievement of goals, such as sales growth, profitability or market share to help achieve the purpose. Individual employees may be responsible for specified levels of performance.
- Clan culture: Focus on involvement and participation of the organization's members and on rapidly changing expectations from the external environment. Important is taking care of employees.
- Bureaucratic culture: Internal focus and a consistency orientation for a stable environment, the organization is highly integrated and efficient.

The business context factor 'internationalization' was measured by asking whether the organization operates abroad or not.

Type of industry was operationalized using the International Standard Industrial Classification of all Economic Activities (ISIC) because it is also used by the European Commission, which also governs the Netherlands (Eurostat, 2012). The ISIC is documented in the operationalization table (Table 3.1.) Firm size was measured by using the definition the Organization for Economic Cooperation and Development (OECD) gives for Small- and Medium-sized Enterprises (SMEs). The OECD (2012) states that micro-organizations consist of 10 employees at most, small organizations consist of 50 employees at most, and medium organizations consist of 250 employees at most. This leads us to the following classification: firm size of 0-10 employees, 11-50 employees, 51-250 employees and 251 and more employees.

The business context factor 'organizational structure' was measured using the definition of Daft (2010). Daft (2010) explains the components of organization structure as formal reporting relationships, the grouping together of individuals into departments and of departments into the total organization and the design of systems for communication, coordination and integration of efforts across departments. The first point was measured by including the question whether the organization in which the HR professional works can be characterized as hierarchical (focus on efficiency, many rules, centralized decision-making) or flat organization (focus on learning, few rules, decentralized decision-making). Whether individuals are grouped together has been asked by including if workers work in teams often. For departmental grouping, Daft (2010) gives five options (functional, divisional, multi-focused, horizontal and virtual network grouping), we used however the typology of Boddy (2008), because it is simpler and easier to grasp for the respondents. Boddy (2008) mentions the following organizational structures: functional, divisional, matrix, teams and network. Because a question about teams is already included, this type of structure has not been used. The matrix structure is renamed to 'a combination of option 1 and 2'.

Use of technology was measured by providing the question to the respondent to what extent the daily operations are influenced by technology.

The strategy of the organization was measured by using the typology of Miles and Snow as formulated by Delery and Doty (1996). The two extremes (prospector and defender) were used and described in the questionnaire. According to Delery and Doty (1996), choosing this typology has advantages because it has been shown as a relatively powerful predictor for organizational effectiveness, it has been commonly used in HR literature, Miles and Snow explicitly state that their strategy has implications for HR policies and it is allowed to be used as a contingency theory.

At last, some control variables were included. Organization of the HR function and HR function were also found in literature to influence HRM, but these variables were not much supported. Therefore, these variables were included only as control variables and not as business context factors.

The HR function of the respondent was measured by using a variety of terms: HR manager, HR worker, HR specialist, HR generalist, HR expert, HR administrative worker, HR director, HR executive, HR business partner.

How the HR function is organized was asked by giving response options: decentral, central, combination of option 1 and 2, shared service center, outsourced (partially).

Further questions included type of gender of the respondent and work experience in HR function (open-ended question).

<i>Variables</i>	<i>Cronbach's <math>\alpha</math></i>	<i>Items (ENG)</i>	<i>Items (NL)</i>
<b>Variables concerning HR competencies</b>			
<u><i>Delivering results with integrity:</i></u> Delivering the right results in the right way, with a focus on meeting pre-negotiated or pre-stated commitments, striving to be error free, ask important questions that help to frame complex ideas in useful ways, achieve results without violating moral principles or compromising on ethics and values and taking responsibility for actions and their consequences (Ulrich et al., 2008).	.840	<u><i>I do my best to...</i></u> <ul style="list-style-type: none"> <li>- Commit to my own promises</li> <li>- Have track record of results of my work</li> <li>- Demonstrate high integrity</li> <li>- Have earned trust</li> <li>- Perform error-free work</li> <li>- Work well with management team</li> <li>- Be a role model of my organization</li> <li>- Respond quickly to colleagues</li> </ul>	<u><i>Ik doe mijn best om...</i></u> <ul style="list-style-type: none"> <li>- Me aan mijn beloftes te houden</li> <li>- De resultaten van mijn werk bij te houden</li> <li>- Een hoge mate aan integriteit te laten zien</li> <li>- Vertrouwen te winnen</li> <li>- Foutloos te presteren</li> <li>- Goed samen te werken met het management team</li> <li>- Een rolmodel binnen mijn organisatie te zijn</li> <li>- Snel te reageren op mijn collega's</li> </ul>
<u><i>Building relationships of trust :</i></u> Relationship building, strong interpersonal skills, creating an atmosphere of trust that results in positive working relationships with key internal and external constituents (Ulrich et al., 2008).	.917	<u><i>I do my best to...</i></u> <ul style="list-style-type: none"> <li>- Have "chemistry" with key internal colleagues</li> <li>- Have "chemistry" with key external partners</li> <li>- Help establish good relationships</li> </ul>	<u><i>Ik doe mijn best om...</i></u> <ul style="list-style-type: none"> <li>- Een band te scheppen met interne collega's</li> <li>- Een band te scheppen met externe partners</li> <li>- Voor goede connecties zorgen</li> </ul>
<u><i>Doing HR with an attitude:</i></u> Taking appropriate risks, both personally and for the organization, providing candid observations, influencing others, anticipating problems (Ulrich et al., 2008).	.604	<u><i>I do my best to...</i></u> <ul style="list-style-type: none"> <li>- Take appropriate risks where necessary</li> <li>- Provide candid observations</li> <li>- Influence others</li> </ul>	<u><i>Ik doe mijn best om...</i></u> <ul style="list-style-type: none"> <li>- Passende risico's te nemen waar nodig</li> <li>- Voor eerlijke observaties te zorgen</li> <li>- Anderen te beïnvloeden</li> </ul>
<u><i>Communication skills:</i></u> To have effective written and verbal communication skills to clearly communicate critical messages for organizational success (Storey,	.839	<u><i>In my view, I have good skills in</i></u> <ul style="list-style-type: none"> <li>- Effective written communication</li> <li>- Effective verbal communication</li> <li>- Effective interpersonal skills</li> </ul>	<u><i>Naar mijn mening ben ik goed in</i></u> <ul style="list-style-type: none"> <li>- Effectieve geschreven communicatie</li> <li>- Effectieve verbale communicatie</li> <li>- Effectieve inter-persoonlijke vaardigheden</li> </ul>

Wright & Ulrich, 2009).			
<u>Leveraging business technology:</u> Being aware of, able to leverage new emerging technologies, e-commerce, production and manufacturing processes, design of work processes, computer information systems (Ulrich et al., 2008).	.809	<u>I do my best to...</u> <ul style="list-style-type: none"> <li>- Leveraging HR information systems</li> <li>- Leveraging new emerging technologies in HRM</li> <li>- Working with social media for HRM</li> <li>- Support work processes with HRIS (self-administered)</li> </ul>	<u>Ik doe mijn best om...</u> <ul style="list-style-type: none"> <li>- Gebruik te maken van HR informatie systemen</li> <li>- Gebruik te maken van nieuwe opkomende technologieën in HRM</li> <li>- Te werken met Social Media voor HRM</li> <li>- Werkprocessen te ondersteunen met HRIS (self-administered)</li> </ul>
<u>Advancing HR technology:</u> Applying electronic technology to HR administrative services, offering HR services 'at the click of a mouse' (Ulrich et al., 2008).	-	- Leverage HR information systems to make better decisions	- Gebruik te maken van HR informatie systemen om betere beslissingen te nemen
<u>Shaping organization and communication practices:</u> Change interventions and organizational level, structuring the organization so that it can meet its strategic goals, facilitating and designing internal communication processes (how information moves into, out of, and through the company), developing a comprehensive internal communication strategy and plan (Ulrich et al., 2008).	.849	<u>I do my best to...</u> <ul style="list-style-type: none"> <li>- To link HR practices with long-term business goals</li> <li>- Design performance measurement systems</li> <li>- Facilitate the design of internal communication processes</li> <li>- Send clear and consistent messages to managers</li> <li>- Develop a comprehensive internal communication plan</li> <li>- Facilitate the design of organization structure</li> <li>- Perform organizational diagnosis and audits</li> </ul>	<u>Ik doe mijn best om...</u> <ul style="list-style-type: none"> <li>- HR praktijken te verbinden met lange-termijns bedrijfsdoelen</li> <li>- Prestatie meting systemen te ontwerpen</li> <li>- Het ontwerpen van interne communicatie processen te faciliteren</li> <li>- Duidelijke en consistente berichten naar managers te sturen</li> <li>- Een uitgebreid intern communicatie plan te ontwikkelen</li> <li>- Het ontwerp van de organisatie structuur faciliteren</li> <li>- Organisatie diagnoses en audits uit te voeren</li> </ul>
<u>Staffing:</u> The ability to develop comprehensive staffing processes (Storey et al., 2009). Responsibility	.866	<u>I do my best to...</u> <ul style="list-style-type: none"> <li>- Establish standards to recruit talent</li> </ul>	<u>Ik doe mijn best om...</u> <ul style="list-style-type: none"> <li>- Normen vast te stellen met betrekking tot het rekruteren van talent</li> </ul>

for finding, mining and aligning the talent needed by a business, now and in the future (Ulrich et al., 2008).		<ul style="list-style-type: none"> <li>- Attract appropriate people</li> <li>- Promote appropriate people</li> <li>- Retain appropriate people</li> <li>- Remove people from the organization when needed</li> <li>- Manage workforce diversity</li> </ul>	<ul style="list-style-type: none"> <li>- De juiste mensen aan te trekken</li> <li>- De juiste mensen te laten promoveren</li> <li>- De juiste mensen te behouden</li> <li>- Mensen te ontslaan indien nodig</li>   <li>- De diversiteit binnen het personeelsbestand te managen</li> </ul>
<u>Developing talent:</u> Actively setting performance standards for these talents, providing means for development, producing mechanisms for measurement, and giving appropriate and timely feedback (Ulrich et al., 2008).	.890	<u>I do my best to...</u> <ul style="list-style-type: none"> <li>- Offer training programs</li> <li>- Use challenging and valuable work to motivate people</li> <li>- Assess talent</li> <li>- Design career perspectives</li> <li>- Develop people management skills in managers</li> <li>- Reinforce personal development</li> <li>- Provide accurate feedback</li> <li>- Design feedback processes</li> </ul>	<u>Ik doe mijn best om...</u> <ul style="list-style-type: none"> <li>- Trainingsprogramma's aan te bieden</li> <li>- Uitdagend en belangrijk werk te gebruiken om mensen te motiveren</li> <li>- Talent te beoordelen</li> <li>- Carrièreperspectieven te ontwikkelen</li> <li>- People management vaardigheden te ontwikkelen bij managers</li> <li>- Persoonlijke ontwikkeling te versterken</li> <li>- Accurate feedback te geven</li> <li>- Feedback processen te ontwerpen</li> </ul>
<u>Implementing workplace policies:</u> Managing labor policies and procedures, understanding labor legislation in the industry (also legal rights of the work at work), managing the arrangement of physical space and workplace environment, designing flexible work schedules that fulfill the needs of the business while accommodating the needs of individual employees (Ulrich et al., 2008).	.814	<u>I do my best to...</u> <ul style="list-style-type: none"> <li>- Facilitate establishment of clear performance standards</li> <li>- Set expectations for leadership behaviors</li> <li>- Upgrade my knowledge in labor legislation</li> <li>- Take care of physical work conditions</li> <li>- Manage labor policies</li> <li>- Design flexible work schedules</li> <li>- Manage the arrangement of the workplace environment</li> <li>- Manage the work-life balance for employees</li> </ul>	<u>Ik doe mijn best om...</u> <ul style="list-style-type: none"> <li>- De vaststelling van duidelijke prestatienormen te faciliteren</li> <li>- Verwachtingen voor leiderschap gedrag op te stellen</li> <li>- Mijn kennis in arbeidswetgeving actueel te houden</li> <li>- Te zorgen voor de juiste fysieke arbeidsomstandigheden</li> <li>- Arbeidsbeleid te managen</li> <li>- Flexibele werkroosters te maken</li> <li>- De inrichting van de werkomgeving te beheren</li> <li>- De balans tussen werk en privé managen voor werknemers</li> </ul>

<p><i>Change management:</i> Change management is the process, tools and techniques to manage the people side of change to achieve the required business outcome. Change management incorporates the organizational tools that can be utilized to help individuals make successful personal transitions resulting in the adoption and realization of change (Creasey, 2009).</p>	<p>.889</p>	<p><i>I do my best to...</i></p> <ul style="list-style-type: none"> <li>- Encourage others to make change happen</li> <li>- Help people understand why change is important</li> <li>- Link people who make change happen</li> <li>- Design HR practices to sustain change</li> <li>- Foresee outcomes of change</li> <li>- Facilitate change processes</li> <li>- Monitor progress of change processes</li> </ul>	<p><i>Ik doe mijn best om...</i></p> <ul style="list-style-type: none"> <li>- Anderen aan te moedigen veranderingen te bewerkstelligen</li> <li>- Mensen te helpen begrijpen waarom verandering belangrijk is</li> <li>- Ervoor te zorgen dat mensen die belangrijk zijn voor verandering elkaar kunnen vinden</li> <li>- HR praktijken ontwerpen om verandering te behouden</li> <li>- De uitkomst van veranderingen te voorzien</li> <li>- Veranderingsprocessen te faciliteren</li> <li>- De vooruitgang bij veranderingsprocessen te controleren</li> </ul>
<p><i>Culture management:</i> To appreciate, articulate, and help shape a company's culture that is consistent with the requirements of the external customers, the business strategy and the employees. Also to design and deliver HR practices that translate and enforce the culture into the right employee attitudes and behaviors (Ulrich et al., 2007; Storey et al., 2009).</p>	<p>.928</p>	<p><i>I do my best to...</i></p> <ul style="list-style-type: none"> <li>- Help employees to personally understand the importance of the desired culture</li> <li>- Frame culture to increase organizational commitment</li> <li>- Encourage executives to behave in line with the desired culture</li> <li>- Translate culture into HR practices</li> <li>- Communicate desired culture inside the organization</li> <li>- Measure the influence of culture on firm performance</li> <li>- Identify the culture required to meet the business strategy</li> </ul>	<p><i>Ik doe mijn best om...</i></p> <ul style="list-style-type: none"> <li>- Werknemers te helpen begrijpen waarom de gewenste cultuur belangrijk is</li> <li>- Cultuur te omkaderen om de betrokkenheid binnen de organisatie te vergroten</li> <li>- De directie aan te moedigen zich in lijn met de gewenste cultuur te gedragen</li> <li>- De cultuur te vertalen naar HR praktijken</li> <li>- De gewenste cultuur door te communiceren binnen de organisatie</li> <li>- De invloed van cultuur op bedrijfsprestatie te meten</li> <li>- De juiste cultuur te identificeren die nodig is om de bedrijfsstrategie te volgen</li> </ul>

		<ul style="list-style-type: none"> <li>- Design HR practices that create the desired culture</li> <li>- Deliver HR practices that maintain the desired culture</li> <li>- Make culture management a business priority</li> <li>- Focus the culture on meeting the needs of external customers</li> </ul>	<ul style="list-style-type: none"> <li>- HR praktijken te ontwerpen die helpen de gewenste cultuur te creëren</li> <li>- HR praktijken te leveren die zorgen dat de gewenste cultuur behouden blijft</li> <li>- Cultuur management een zakelijke prioriteit te maken</li> <li>- Cultuur te focussen op het voldoen aan de behoeften van externe klanten</li> </ul>
<p><i>Engaging customers:</i> Facilitating the dissemination of customer information throughout the organization, contributing to the building of the company's brand with customers, shareholders and employees, facilitating the integrations of different business functions, reducing or eliminating work that ultimately adds little or no value to the external customer.</p>	.679	<p><i>I do my best to...</i></p> <ul style="list-style-type: none"> <li>- Make sure employees know customer's expectations</li> <li>- Contribute to building the brand of the company for customers</li> <li>- Facilitate customer relation management</li> <li>- Inform customers about business developments</li> </ul>	<p><i>Ik doe mijn best om...</i></p> <ul style="list-style-type: none"> <li>- Te zorgen dat werknemers weten waar klanten behoefte aan hebben</li> <li>- Bij te dragen aan het bouwen van een merk van de organisatie voor de klanten</li> <li>- Klantrelatie management te faciliteren</li> <li>- Klanten te informeren over bedrijfsontwikkelingen</li> </ul>
<p><i>Sustaining strategic agility:</i> Understand business strategy and align HR practices with it.</p>	.885	<p><i>I do my best to...</i></p> <ul style="list-style-type: none"> <li>- Help establish the business strategy</li> <li>- Engage in constructive problem solving with clients</li> <li>- Forecast potential obstacles to success</li> <li>- Have a vision of the future for my business</li> <li>- Bring evidence to business decision making</li> <li>- Identify problems central to business strategy</li> </ul>	<p><i>Ik doe mijn best om...</i></p> <ul style="list-style-type: none"> <li>- Te helpen met het vaststellen van de bedrijfsstrategie</li> <li>- Deelnemen aan constructieve probleemoplossing met klanten</li> <li>- Potentiële obstakels op de weg naar succes te voorspellen</li> <li>- Een visie over de toekomst van het bedrijf te hebben</li> <li>- Bewijzen aan te dragen bij bedrijfsbesluitvorming</li> <li>- Problemen centraal bij bedrijfsstrategie te identificeren</li> </ul>



		<ul style="list-style-type: none"> <li>- Set the direction of change</li> <li>- Recognize business trends and their impact on your business</li> <li>- Provide alternative insights on business issues</li> <li>- Be proactive in contributing to business decisions</li> <li>- Translate business strategy into concrete business initiatives</li> <li>- Ensure the availability of resources (money, information, people) that make change happen</li> <li>- Upgrade my knowledge about how your business makes money (who, where and how)</li> </ul>	<ul style="list-style-type: none"> <li>- De richting van verandering aan te geven</li> <li>- Bedrijfstrends en hun invloed op de business te herkennen</li> <li>- Alternatieve perspectieven te bieden op bedrijfskwesties</li> <li>- Proactief te zijn in de bijdrage van zakelijke beslissingen</li> <li>- Bedrijfsstrategie naar concrete bedrijfsinitiatieven te vertalen</li> <li>- Ervoor te zorgen dat alle middelen (geld, informatie, mensen) beschikbaar zijn om verandering mogelijk te maken</li> <li>- Mijn kennis over hoe het bedrijf winst maakt actueel te houden</li> </ul>
<p><u>Interpreting global business</u>  <i>context:</i> Being deeply knowledgeable of and able to translate external business trends (globalization of business, political, social and demographic and governmental trends) into internal decisions and actions (The RBL Group, 2012; Ulrich et al., 2008).</p>	.865	<p><u>I do my best to...</u></p> <ul style="list-style-type: none"> <li>- Upgrade my knowledge about marketing analysis</li> <li>- Upgrade my knowledge about requirements of external customers</li> <li>- Upgrade my knowledge about the globalization trends</li> <li>- Upgrade my knowledge about the external political environment</li> <li>- Upgrade my knowledge about the demographic trends that influence my business</li> <li>- Upgrade my knowledge about the positioning of my organization in</li> </ul>	<p><u>Ik doe mijn best om...</u></p> <ul style="list-style-type: none"> <li>- Mijn kennis op het gebied van marketing analyse actueel te houden</li> <li>- Mijn kennis op het gebied van behoeften van externe klanten actueel te houden</li> <li>- Mijn kennis op het gebied van globalisatie trends actueel te houden</li> <li>- Mijn kennis op het gebied van de externe politieke omgeving actueel te houden</li> <li>- Mijn kennis op het gebied van demografische trends die invloed hebben op het bedrijf actueel te houden</li> <li>- Mijn kennis op het gebied van positionering van mijn organisatie in de</li> </ul>

	the global context	globale context actueel te houden
<b>Business context factors</b>		
<p><u>Organizational culture</u>: a pattern of basic assumptions, invented, discovered, or developed by a given group, as it learns to cope with its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore is to be taught to new members as the correct way to perceive, think, and feel in relation to those problems (Schein, 1990). Use of typology of culture by Daft (2010), along two dimensions: internal/external and flexible/stable. This gives the mission culture, clan culture, adaptability culture and the bureaucratic culture.</p>	<p><u>The organizational culture with the organization you work for could be characterized as a...</u></p> <ul style="list-style-type: none"> <li>- Culture by which a strategic focus for the external environment is important, flexibility and change are important to meet needs of clients. Innovation, creativity and taking risks are valued and rewarded.</li> <li>- Emphasis on a clear vision on the achievement of goals. Individual employees may be responsible for specified levels of performance.</li> <li>- Focus on involvement and participation of the organization's members and on rapidly changing expectations from the external environment. Important is taking care of employees.</li> <li>- Internal focus and a consistency orientation for a stable environment, the organization is highly integrated and efficient.</li> </ul>	<p><u>De bedrijfscultuur binnen de organisatie waarvoor u werkt zou kunnen worden getypeerd als een...</u></p> <ul style="list-style-type: none"> <li>- Cultuur waarbinnen een strategische focus op de externe omgeving belangrijk is, flexibiliteit en verandering belangrijk zijn om te voldoen aan behoeften van klanten. Innovatie, creativiteit en risico's nemen staan te boek als belangrijke waarden die ook worden beloond.</li> <li>- Cultuur waarbinnen een duidelijke visie aanwezig is over hoe bedrijfsdoelen gehaald dienen te worden. Een individuele werknemer kan de verantwoordelijkheid dragen van bepaalde prestaties.</li> <li>- Cultuur waarbinnen er een focus ligt op persoonlijke ontwikkeling en deelneming van werknemers binnen het bedrijfswezen, en daarnaast op snelle veranderingen in de externe omgeving. Belangrijk binnen de organisatie is zorg dragen voor de werknemers.</li> <li>- Cultuur waarbinnen de focus volledig intern is met een oriëntatie op consistentie voor een stabiele externe omgeving. Efficiëntie en integratie staan hoog in het vaandel.</li> </ul>
<u>Internationalization</u> : operating in more than one	<u>Does the organization you work for</u>	<u>Doet de organisatie waarvoor u werkt</u>

nation (Wit & Meyer, 2004).	<u>business abroad?</u> - Yes - No	<u>zaken in het buitenland?</u> - Ja - Nee
<u>Type of industry:</u> Using the ISIC classification.	<u>Within which industry does the organization you work for do business?</u> - Agriculture, Forestry and Fishing - Mining and Quarrying - Manufacturing - Electricity, gas, steam and air conditioning supply - Water supply; sewerage, waste management and remediation activities - Construction - Wholesale and Retail Trade, Repair of Motor vehicles and motorcycles - Transportation and Storage - Accommodation and Food Service Activities - Information and Communication - Financial and Insurance activities - Real Estate - Professional, Scientific, and Technical Services - Administrative and support service activities - Public administration and defense; compulsory social security - Education - Human Health and Social Work Activities - Arts, Entertainment, and Recreation - Other Services (except Public	<u>Binnen welke industrie opereert de organisatie waarvoor u werkt?</u> - Landbouw, bosbouw, visserij - Mijnbouw - Industrie - Nutsbedrijven (elektriciteit, gas en water) - Distributie van water; afval- en afvalwaterbeheer en sanering  - Bouw - Groothandel en Detailhandel, reparatiebedrijven - Transport en Opslag - Horeca  - Informatie en Communicatie - Bank- en Assurantiewezen - Makelaardij - Vrije beroepen en wetenschappelijke en technische diensten - Administratieve en ondersteunende diensten - Openbaar bestuur en defensie; verplichte sociale zekerheid - Onderwijs - Gezondheidszorg en maatschappelijk werk - Kunst, amusement en recreatie - Overige diensten (met uitzondering

	<p>Administration)</p> <ul style="list-style-type: none"> <li>- Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use</li> <li>- Activities of extraterritorial organizations and bodies</li> </ul>	<p>van het openbaar bestuur)</p> <ul style="list-style-type: none"> <li>- Privé huishoudens met personeel</li> <li>- Activiteiten van extraterritoriale organisaties en lichamen</li> </ul>
<p><i>Firm size:</i> Size indicated by number of employees (Valverde et al., 2006). Micro-organizations consist of 10 employees at most, small organizations consist of 50 employees at most, and medium organizations consist of 250 employees at most (OECD, 2012).</p>	<p><u>How much employees does the organization you work for employ?</u></p> <ul style="list-style-type: none"> <li>- 0-10 employees</li> <li>- 11-50 employees</li> <li>- 51-250 employees</li> <li>- 251 employees or more</li> </ul>	<p><u>Hoeveel werknemers telt de organisatie waarvoor u werkt?</u></p> <ul style="list-style-type: none"> <li>- 0-10 werknemers</li> <li>- 11-50 werknemers</li> <li>- 51-250 werknemers</li> <li>- 251 werknemers of meer</li> </ul>
<p><i>Organizational structure:</i> The components of organization structure are formal reporting relationships, the grouping together of individuals into departments and of departments into the total organization and the design of systems for communication, coordination and integration of efforts across departments (Daft, 2010).</p>	<p><u>The organization you work for has the following structure:</u></p> <ul style="list-style-type: none"> <li>- Hierarchical, central decision-making and many rules.</li> <li>- Not hierarchical, decentral decision-making, few rules.</li> </ul> <p><u>Do you work much in teams?</u></p> <ul style="list-style-type: none"> <li>- Yes</li> <li>- No</li> </ul> <p><u>How would you classify the organizational structure within the organization you work for?</u></p> <ul style="list-style-type: none"> <li>- A functional structure (e.g. departments production, finance and marketing).</li> <li>- A divisional structure (each department is independent and has its own</li> </ul>	<p><u>De organisatie waarvoor u werkt heeft de volgende structuur:</u></p> <ul style="list-style-type: none"> <li>- Hiërarchisch, centrale besluitvorming en veel regels.</li> <li>- Niet hiërarchisch, decentrale besluitvorming, weinig regels.</li> </ul> <p><u>Werkt u veel in teams?</u></p> <ul style="list-style-type: none"> <li>- Ja</li> <li>- Nee</li> </ul> <p><u>Hoe zou u de organisatie structuur binnen de organisatie waarvoor u werkt willen typeren?</u></p> <ul style="list-style-type: none"> <li>- Een structuur op basis van functie (bijv. afdelingen productie, financiën en marketing).</li> <li>- Een structuur op basis van divisie (elke afdeling is onafhankelijk en heeft een eigen productie afdeling/financiën</li> </ul>

	<p>production/finance/marketing department)</p> <ul style="list-style-type: none"> <li>- A combination of option 1 and 2.</li> <li>- A network structure.</li> </ul>	<p>afdeling/marketing afdeling).</p> <ul style="list-style-type: none"> <li>- Een combinatie van optie 1 en 2.</li> <li>- Een structuur in de vorm van een netwerk.</li> </ul>
<p><u>Use of technology:</u> A manner of accomplishing a task using technical processes, methods or knowledge (Merriam-Webster, 2012).</p>	<p><u>How often do you use technology in your organization?</u></p> <ul style="list-style-type: none"> <li>- Never</li> <li>- Seldom</li> <li>- Often</li> <li>- Always</li> </ul>	<p><u>Hoe vaak wordt er gebruik van technologie gemaakt binnen uw organisatie?</u></p> <ul style="list-style-type: none"> <li>- Nooit</li> <li>- Zelden</li> <li>- Vaak</li> <li>- Altijd</li> </ul>
<p><u>Business strategy:</u> The determination of how a company will compete in given businesses and position itself among its competitors (Foss, 2003). Using the typology of Miles and Snow; the extremes along the continuum "Defender" and "Prospector". "Analyzer" is excluded (Delery and Doty, 1996).</p>	<p><u>How would you characterize the strategy of the organization you work for?</u></p> <ul style="list-style-type: none"> <li>- A strategy of making profit through cost reduction, taking few risks and being able to compete within the market through low prices for products/services. There is little or no product development and the company stays within the same market.</li> <li>- A strategy of making profit through constant new product development and/or penetrate new markets.</li> </ul>	<p><u>Hoe zou u de bedrijfsstrategie typeren binnen de organisatie waarvoor u werkt?</u></p> <ul style="list-style-type: none"> <li>- Een strategie om winst te behalen door kosten te drukken, weinig risico's te nemen en vanwege een lage prijs voor product/dienst te kunnen concurreren binnen de markt. Er is weinig tot geen productontwikkeling en het bedrijf blijft in dezelfde markt opereren.</li> <li>- Een strategie om winst te behalen door constant een nieuw product te ontwikkelen en/of nieuwe markten aanboren.</li> </ul>
<b>Control variables</b>		
<p><u>Gender</u></p>	<p><u>What is your gender?</u></p> <ul style="list-style-type: none"> <li>- Male</li> <li>- Female</li> <li>- Will not say</li> </ul>	<p><u>Wat is uw geslacht?</u></p> <ul style="list-style-type: none"> <li>- Man</li> <li>- Vrouw</li> <li>- Wil niet zeggen</li> </ul>
<p><u>Work experience:</u> In number of years</p>	<p><u>How many years do you work on HR?</u></p>	<p><u>Hoeveel jaar werkt u al op HR gebied?</u></p>

<p><u>HR function:</u> All possible functions included.</p>	<p><u>Which HR function do you occupy?</u></p> <ul style="list-style-type: none"> <li>- HR manager</li> <li>- Staff employee</li> <li>- Personnel manager</li> <li>- Personnel officer</li> <li>- HR business partner</li> <li>- HR employee</li> <li>- HR director</li> <li>- HR executive</li> <li>- Administrative staff employee</li> </ul>	<p><u>Welke functie op gebied van HR vervult u?</u></p> <ul style="list-style-type: none"> <li>- HR manager / Manager P&amp;O</li> <li>- Personeelsmedewerker</li> <li>- Personeelsmanager</li> <li>- Personeelsfunctionaris</li> <li>- HR business partner</li> <li>- Medewerker P&amp;O</li> <li>- HR directeur</li> <li>- HR executive</li> <li>- Administratief personeelsmedewerker</li> </ul>
<p><u>Organization of HR function:</u> All possible organizations included</p>	<p><u>How is the HR function within the organization you work for organized?</u></p> <ul style="list-style-type: none"> <li>- Central</li> <li>- Decentral</li> <li>- Combination of option 1 and 2</li> <li>- Within an HR Shared Service Center</li> <li>- (Partially) outsourced</li> </ul>	<p><u>Hoe is de HR functie binnen de organisatie waarvoor u werkt georganiseerd?</u></p> <ul style="list-style-type: none"> <li>- Centraal</li> <li>- Decentraal</li> <li>- Combinatie van optie 1 en 2</li> <li>- Binnen een HR Shared Service Center</li> <li>- (Deels) uitbesteed</li> </ul>

Table 3.1. Operationalization table.

### **3.3. Pretesting**

With the help of the operationalization table, the questionnaire was constructed. The next step was to pretest the questionnaire. A total of 10 respondents were asked about the clarity of the items, whether they understood the questions and their answers, whether the text was well formulated and whether the questions measured the right constructs in a right way. The respondents were all students with diverse backgrounds and education levels. Consequently some changes were made; linguistic and clarity problems were solved. For example: the question that measured technology: "How often do you use technology within your organization?" was changed into "To what extent does the use of technology affect the daily activities within your organization?", while adding an information icon to explain the concept 'technology' in more depth. Other concepts than 'technology' were also not clear. Consequently, 16 information icons were added in the questionnaire. Furthermore, the invitation text was improved.

The use of a pretest before using the questionnaire in practice was necessary because it was needed to ensure that all respondents could understand the questionnaire, had the information asked available and that the wording of questions provides respondents with enough information to answer in an adequate way. These factors are also applicable upon the scientific model of 'standardization', that is applying the 'standard' questionnaire to ensure that observed differences are in fact real differences and not otherwise (Collins, 2003). Since the questionnaire used in this research was heavily based on items from questionnaires of Ulrich and colleagues, you can say that a standard is also used here. Thus, to certify that the questionnaire was understandable and wording of the questions was correct, a pretest has been used.

### **3.4. Data analysis**

From the survey, data was reduced by bundling items into subareas and subareas into dimensions. Taken the means of the items delivered the new variables. T-tests were used to test relationships of the dimensions with business context factors, when possible. Some variables included nominal variables with more than two categories, which made it impossible to use t-tests. Instead of t-tests, one way ANOVA was used to investigate relationships of HR competencies with organizational culture, (organization of) HR function, organizational structure and type of industry. The variables work experience, HR function, firm size, organization of HR function, organizational culture, use of technology, organizational structure and type of industry were analyzed using one way ANOVA. The statistical methods were retrieved from Ulrich et al. (2008) and Field (2009).

In the end, the variable 'organizational structure' was only measured by asking which type of organizational structure characterizes the organizational structure in the organization. The original questions for measuring 'organizational structure' (teamwork, degree of hierarchy and type of organizational structure) were split because factor analysis showed that no general factor for organizational structure (containing all three elements) existed.

The results should indicate whether positive scores on certain dimensions were related to any business context factor. For example a positive score on the HR technology dimension could be related to the high degree of use of technology in the organization where the HR professional comes

from. The context of the organization has helped to improve the HR professional's skills in the technology area then.

### **3.5. Reliability**

Although there are several strengths in using surveys to conduct research (reaching a larger sample e.g.), there are also limitations. Given the fact that data has been collected only in the Netherlands, the generalizability was restricted to only Dutch HR professionals. With respect to internal validity the threat of selection bias was present. As culture does matter in implementing HR practices (i.e. different HR practices across countries (Tayeb, 1998), HR competencies will also be different across different locations. Therefore, the study is only applicable to Dutch HR professionals. The fact that closed-ended questions were included leads to another limitation: respondents may not have found the room to answer the questions the way they want (there is no room to provide details). However, to overcome this limitation, the questionnaire has been developed in a careful and appropriate way.

Ulrich et al. (2008) used in their HRCS survey 360 degree that allowed the researchers to look from multiple perspectives on the competencies of HR professionals. In this research I relied solely on the opinion of the HR professional itself. However, given the fact that data were treated anonymously, it was expected the respondents to be fair and honest while providing answers to the questions in the survey. While HR professionals can make mistakes in assessing their own competencies, also their colleagues may do so. In this respect, lacking data from people around the HR professional should not have been problematic.

Other weaknesses in this research include the rigidity of surveys. The degree of standardization that is required to conduct a survey can deliver distorted results. The inflexibility of the research design is therefore a limitation (Writing@CSU, 2012).

The survey method gives the advantage to use a very large sample, but major weakness is dealing with the context. Except from some interview approaches, surveys are often conducted from remote locations such as via telephone, online, mail or written questionnaires, which limit the researcher to directly observe the context in which the questionnaire is filled in (Writing@CSU, 2012). This can influence the given answers by respondents.

With respect to construct validity, choosing the survey method meant that there is a threat of mono operation bias. Since the research frame has only in one way been operationalized, this operationalization could lead to different results than another operationalizations (Shadish, Cook & Campbell, 2001). Also, only questionnaires were used, and therefore a mono method bias was present. The influence of the treatment via a questionnaire is however small.

According to Shadish, Cook, and Campbell (2001), external validity has five main threats, interaction of causal relationship with units, treatment, outcome or setting and context-dependent mediation. The generalization was limited because setting and context were not fully controlled (at least, beyond the business context factors). Therefore, external validity was doubtful. However, some context variables were included in the research frame and thus controlled.



To test whether the items suited well together, reliability analysis was conducted with Cronbach's  $\alpha$ . Since all variables scored higher than .6, and except 'doing HR with an attitude' and 'engaging customers', all variables scored higher than .8, which means that the items are strongly reliable.

#### 4. Analysis

The questionnaire was online for 3 months and a total of 61 people responded, of which 35 people completed the full questionnaire and 58 questionnaires were valid to use. A total of 38 respondents were female and 20 respondents were male.

##### 4.1. HR competencies

Calculating the scores on the dimensions and their sub-areas (see table 4.1.) was done by averaging the items and averaging the sub-areas. Given the scores of HR professionals of Ulrich (2008), also the 'personal credibility' dimension scored highest of all dimensions.

<b>Personal Credibility</b>	<b>5.50</b>	Delivering results with integrity	5.50
		Building relationships of trust	5.82
		Doing HR with an attitude	5.34
		Communication skills	5.35
<b>HR Technology</b>	<b>5.12</b>	Leveraging business technology	5.06
		Advancing HR technology	5.18
<b>HR innovation and integration</b>	<b>4.79</b>	Shaping organization and communication practices	4.67
		Staffing	4.89
		Developing talent	5.07
		Implementing workplace policies	4.53
<b>Strategic focus</b>	<b>4.83</b>	Change management	5.28
		Culture management	4.84
		Engaging customers	4.25
		Sustaining strategic agility	5.05
		Interpreting global business context	4.75

Table 4.1. The mean scores of the respondents on the dimensions and their sub-areas.

##### 4.2. Business context factors and control variables

The investigated business context factors led to the following results; the respondents worked in organizations where the organizational culture was quite equally divided. A total of 23 respondents worked in an adaptability culture, 7 respondents worked in a mission culture, 15 respondents worked in a clan culture and the bureaucratic culture was present in 13 cases. The fact that most people answered 'adaptability culture' here, may imply that today's organizations are not closed systems anymore. Again the necessity of using the best-fit approach stems forward.

For 'internationalization', the respondents were quite equally divided as well. 35 respondents worked in organizations which were active both in the Netherlands and abroad, while 23 respondents were employed to organizations exclusively active on the Dutch market.

Most of the respondents indicated that they worked in the 'education'-sector, 23 respondents worked in this sector. Moreover, 9 respondents worked in the sector 'human health and social work activities', 6 respondents worked in the manufacturing industry and 5 respondents indicated that their work consisted of services that were not included in the survey question. The sectors 'agriculture, forestry and fishing' and 'public administration and defense' were represented by 3 and 4 respondents respectively. Finally, 2 respondents indicated they worked in the wholesale and retail trade. Remarkable is that every sector is at least one time indicated, with 6 sectors indicated by 1 respondent.

The respondents worked mostly in larger organizations. Only 3 respondents worked in micro organizations and 1 respondent was employed in an organization with 11 to 50 employees. 15 respondents worked for an organization with 51 to 250 employees and 39 respondents were employed in organizations consisting of more than 251 employees.

The business context factor 'organizational structure' delivered two main types that were indicated. A total of 32 respondents worked in a functional structure and for 21 respondents it was a combination of a functional with a divisional structure. The other types were indicated by 1 (divisional) and 4 (network) respondents. The sub-areas of 'organizational structure'-measurement, 'hierarchy' and 'teams' delivered the following results: 42 respondents worked in hierarchic organizations, while 16 respondents indicated the contrary. Most people often worked in teams (50), while only 8 did not.

Most respondents were familiar with technology, 34 respondents answered 'a lot' or 'always', while 24 respondents indicated less. Only 8 respondents indicated 'not'.

A slight majority of the respondents (32) worked in organizations following the defender strategy, whereas 25 respondents indicated the other extreme, namely 'prospector'.

About the control variables; The average work experience of the HR professionals in the sample was 11.72 years, ranging from just started to 34 years of HR employment. The HR function is mostly organized at the central level, although 29 respondents answered that the HR function of their organizations was organized both centrally and decentrally. The HR functions mostly occupied were HR manager (12), personnel officer (11), HR business partner (9) and employee P&O (8). 13 respondents indicated other functions than included in the questionnaire, varying from policy advisor to head of the career centre.

### **4.3. Relationships**

To test relationships between business context variables and HR competencies and the relationship between control variables and HR competencies, two statistical tests were used. Because the variables that represented the dimensions of HR competencies were continuous variables and business context variables were nominal variables, 'One way ANOVA' and 'independent samples t-test' were the tests that needed to be used (Field, 2009). When a nominal variable included only 2 categories, the independent samples t-test was used, otherwise 'One way ANOVA' has been executed within SPSS. To gain deeper understanding of the relationships, also relationships of the HR

dimensions with the response options of the business context factors have been investigated. To test these relationships, one sample t-tests have been used. In the remainder of this paragraph the different tables showing the relationships of business factors and control variables with HR competencies are shown, each followed by a short discussion of the conclusions that can be drawn from them.

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	2.974	0.042**	3, 45
HR technology	1.468	0.236	3, 45
HR innovation and integration	1.631	0.198	3, 38
Strategic focus	1.059	0.381	3, 30

Table 4.2. Organizational culture; results of tests with the dimensions of the HR competencies-set.

\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

Starting with hypothesis 1, stating that there is influence of organizational culture on HR competencies, we found that this statement was supported by the empirical data acquired in the survey. However, only for the dimension 'personal credibility' a significant effect was found ( $F(3,45)=2.974$ ,  $p=.042$ ). Other dimensions were not related to organizational culture (table 4.2.). This means that the choice of an organizational culture is related to the set of HR competencies, with the dimension 'Personal credibility' in particular.

<u>Dimension</u>	<b>Adaptability culture</b>		<b>Mission culture</b>		<b>Clan culture</b>		<b>Bureaucratic culture</b>	
	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>
Personal credibility	19	5.5938	7	4.5848	13	5.7933	10	5.5969
HR technology	19	5.1645	7	4.3214	13	5.4231	10	5.2000
HR innovation and integration	16	4.9221	5	3.9077	13	4.9705	8	4.7837
Strategic focus	12	4.5017	3	4.8855	12	5.0655	7	4.9842

Table 4.3. Organizational culture; Means per type of culture across the dimensions of the HR competencies-set.

<u>Dimension</u>	<b>Adaptability culture</b>			<b>Mission culture</b>		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-0.664	.510	48	6.732	.000***	48
HR technology	-0.269	.789	48	4.818	.000***	48
HR innovation and integration	-0.864	.392	41	5.769	.000***	41
Strategic focus	2.356	.025**	33	-0.366	.716	33

Table 4.4. Types of organizational culture; Results of tests with the dimensions of the HR competencies-set (1).

\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<i>Dimension</i>	<b>Clan culture</b>			<b>Bureaucratic culture</b>		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	-2.127	.039**	48	-0.687	.495	48
HR technology	-1.830	.074*	48	-0.483	.631	48
HR innovation and integration	-1.181	.245	41	0.041	.968	41
Strategic focus	-1.643	.110	33	-1.067	.294	33

Table 4.5. Types of organizational culture; Results of tests with the dimensions of the HR competencies-set (2).

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

The means of table 4.3. were compared with the general means of table 4.1. The results are presented in tables 4.4. and 4.5. Organizations characterized with a mission culture, seem to have a strong relationship with the HR competencies-set. Three of the four dimensions had a significant relationship with mission culture. Both dimensions 'Personal credibility' and 'HR technology' showed less competence of the HR professional when working in such an organization. On the contrary, a bureaucratic culture did not show a relationship with the HR competencies-set. It is clear that the found result of a relationship of organizational culture with the HR competencies-set stems from its relationship with the mission culture and the clan culture. Both a mission culture and a clan culture were related to HR competencies, thus when developing HR competencies, the choice of the organizational culture should be taken into account.

<i>Dimension</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	-1.065	0.293	47
HR technology	-1.742	0.088*	47
HR innovation and integration	-0.954	0.346	40
Strategic focus	-1.926	0.063*	32

Table 4.6. Internationalization; results of tests with dimensions of the HR competencies-set

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

Higher scores on 'strategic focus' had a significant relationship with the business context factor 'internationalization' ( $t(32) = -1.926$ ,  $p = .063$ ), and also 'HR technology' was significantly related to 'internationalization' ( $t(47) = -1.742$ ,  $p = .088$ ). Therefore, hypothesis 2 was supported. However, the other dimensions gave no significant results (table 4.6.). This means that HR professionals probably need extra skills of the dimensions 'strategic focus' and 'HR technology' because their organization does business abroad.

<i>Dimension</i>	<b>International</b>		<b>National</b>	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Personal credibility	28	5.3776	21	5.6706
HR technology	28	4.8750	21	5.4464
HR innovation and integration	24	4.6634	18	4.9587
Strategic focus	20	4.6155	14	5.1458

Table 4.7. Internationalization; Means per type of internationalization across the dimensions of the HR competencies-set.

<i>Dimension</i>	<b>International</b>			<b>National</b>		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	0.921	.362	48	-1.227	.226	48

HR technology	1.478	.146	48	-1.970	.055*	48
HR innovation and integration	0.827	.413	41	-1.104	.276	41
Strategic focus	1.549	.131	33	-2.213	.034**	33

Table 4.8. Types of internationalization; Results of tests with the dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

Going a level deeper, it has been found that HR professionals working in organizations operating only in the Netherlands were more competent on the dimensions 'HR technology' and 'Strategic focus', since the t-tests showed significant relationships between HR competencies and these two variables (see tables 4.7. and 4.8.). The means on these dimensions were significantly higher than the aggregate mean of the total sample for each dimension. This result shows that HR professionals working in more nationally oriented organizations seem to need more advanced competencies of the 'HR technology' and 'Strategic focus' dimension.

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	7.944	0.000***	9, 39
HR technology	5.818	0.000***	9, 39
HR innovation and integration	2.295	0.045**	8, 33
Strategic focus	0.527	0.825	8, 25

Table 4.9. Type of industry; results of tests with dimensions of the HR competencies-set

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

Hypothesis 3, regarding the influence of type of industry on HR competencies, was supported (see table 4.9.). With respect to the 'personal credibility'-dimension, a relationship has been found with type of industry ( $F(9,39)$ ,  $p=.000$ ). However, other dimensions did not show any significant relationships with type of industry. The 'HR technology'-dimension has also a strong significant relationship with type of industry ( $F(9,39)$ ,  $p=.000$ ), and the dimension of HR innovation and integration is related to type of industry ( $F(8,33)$ ,  $p=.045$ ). Only the dimension 'strategic focus' gave a non-significant result ( $F(8,25)$ ,  $p=.825$ ). It seems that working in a particular industry thus matters for the required set of HR competencies.

<u>Dimension</u>	<b>Manufacturing</b>		<b>Public Administration and Defense</b>		<b>Education</b>		<b>Human Health and Social Work Activities</b>	
	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>
Personal credibility	6	5.8299	3	6.1424	20	5.7932	9	5.4965
HR technology	6	4.8750	3	6.1250	20	5.4625	9	5.1250
HR innovation and integration	6	5.2827	2	5.8214	16	4.6685	9	4.8467
Strategic focus	5	4.9914	1	5.3263	14	4.6786	7	5.0641

Table 4.10. Types of industry; Means per type of industry across the dimensions of the HR competencies-set.

<u>Dimension</u>	<b>Manufacturing</b>			<b>Public Administration and Defense</b>		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-2.395	.021**	48	-5.412	.000***	48
HR technology	1.478	.146	48	-6.065	.000***	48
HR innovation and integration	-3.222	.002***	41	-6.745	.000***	41
Strategic focus	-1.118	.272	33	-3.494	.001***	33

Table 4.11. Types of industry; Results of tests with the dimensions of the HR competencies-set (1).

\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<u>Dimension</u>	<b>Education</b>			<b>Human Health and Social Work Activities</b>		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-2.126	.039**	48	0.049	.961	48
HR technology	-2.067	.044**	48	-0.031	.976	48
HR innovation and integration	0.794	.432	41	-0.371	.712	41
Strategic focus	1.101	.279	33	-1.633	.112	33

Table 4.12. Types of industry; Results of tests with the dimensions of the HR competencies-set (2).

\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

The particular types of industry that showed a significant relationship were 'manufacturing', 'public administration and defense', and 'education' (tables 4.10., 4.11. and 4.12.). Four of the seventeen response options have been included in the detailed analysis, because the other response options were not valid to use, given the results of SPSS. However, also manufacturing and public administration and defense showed a very small number of respondents (minimum n of 5 and 1). The result of 'education' is therefore more reliable, with a minimum of n=14. Working in an education industry probably means that better competencies in 'Personal credibility' and 'HR technology' are needed.

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	1.512	0.231	2, 46
HR technology	0.339	0.714	2, 46
HR innovation and integration	0.047	0.954	2, 39
Strategic focus	0.149	0.862	2, 31

Table 4.13. Firm size; results of tests with dimensions of the HR competencies-set

\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

As previously described, most respondents came from larger organizations. Within the sample, a variety in organization sizes was not accomplished. That may be the reason why no significant values have been found in the data analysis regarding the relationship 'firm size' and 'HR competencies', which means that hypothesis 4 was not supported (see also table 4.13.), and approximately the same set of HR competencies should be needed in every organization, independent of size.

<u>Dimension</u>	<b>1-10 employees</b>		<b>51-250 employees</b>		<b>251 and more employees</b>	
	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>
Personal credibility	3	4.6875	9	5.3299	37	5.6115
HR technology	3	4.5833	9	5.1944	37	5.1453
HR innovation and	2	4.7552	7	4.6864	33	4.8140

integration						
Strategic focus	2	5.1316	6	4.7589	26	4.8283

Table 4.14. Firm size; Means per type of firm size across the dimensions of the HR competencies-set.

	1-10 employees		
<u>Dimension</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	5.980	.000***	48
HR technology	3.238	.002***	48
HR innovation and integration	0.227	.821	41
Strategic focus	-2.112	.042**	33

Table 4.15. Types of firm size; Results of tests with the dimensions of the HR competencies-set (1).

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

	51-250 employees			251 and more employees		
<u>Dimension</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	1.270	.210	48	-0.794	.431	48
HR technology	-0.450	.655	48	-0.153	.879	48
HR innovation and integration	0.677	.502	41	-0.157	.876	41
Strategic focus	0.532	.598	33	0.039	.969	33

Table 4.16. Types of firm size; Results of tests with the dimensions of the HR competencies-set (2).

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

However, a more detailed analysis of the data showed that micro organizations (with 1 to 10 employees) had a significant relationship with the HR competencies-set (see tables 4.14., 4.15. and 4.16). It needs to be remarked that again the number of respondents was very small, with a minimum of 1. The logic behind this result is clear though. Only the possession of competencies within the dimension 'Strategic focus' were higher. Because employees working in organizations with 10 employees or less have more influence upon strategic cases, their skills in this dimension could also be higher. HR professionals working in such organizations are merely not only employed to do HR work, but are also occupied with other activities, which can result in less skills (or expertise) on HR dimensions.

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	3.137	0.035**	3, 45
HR technology	2.556	0.067*	3, 45
HR innovation and integration	0.533	0.663	3, 38
Strategic focus	0.305	0.822	3, 30

Table 4.17. Organizational structure; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

With regard to organizational structure, two out of four dimensions delivered significant results (table 4.17.). For the dimension 'personal credibility' there was a strong significant relationship ( $F(3,45)=3.137$ ,  $p=.035$ ). Also the dimension 'HR technology' ( $F(3,45)=2.556$ ,  $p=.067$ ) gave a significant result. The correlation with the 'personal credibility'-dimension shows that HR professionals with a high score on this dimension work significantly more in a combined (functional and divisional) structure or in a network structure. Hypothesis 5 was supported. Thus, the choice of a



particular organizational structure matters for the HR dimensions 'Personal credibility' and 'HR technology'.

<i>Dimension</i>	Functional structure		Divisional structure		Combination of functional/divisional structure		Network structure	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Personal credibility	26	5.4712	1	5.7292	18	5.8056	4	4.2943
HR technology	26	5.1298	1	6.6250	18	5.3056	4	3.8438
HR innovation and integration	25	4.8132	1	5.4940	14	4.8047	2	4.0439
Strategic focus	17	4.9088	1	5.1085	14	4.7921	2	4.3522

Table 4.18. Organizational structure; Means per type of organizational structure across the dimensions of the HR competencies-set.

<i>Dimension</i>	Functional structure			Divisional structure		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	0.235	.816	48	-1.657	.104	48
HR technology	-0.060	.953	48	-9.082	.000***	48
HR innovation and integration	-0.152	.880	41	-4.604	.000***	41
Strategic focus	-0.532	.599	33	-1.948	.060*	33

Table 4.19. Types of organizational structure; Results of tests with the dimensions of the HR competencies-set (1).  
\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<i>Dimension</i>	Combination of functional/divisional structure			Network structure		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	-2.217	.031**	48	8.833	.000***	48
HR technology	-1.121	.268	48	7.700	.000***	48
HR innovation and integration	-0.097	.924	41	4.878	.000***	41
Strategic focus	0.296	.769	33	3.417	.002***	33

Table 4.20. Types of organizational structure; Results of tests with the dimensions of the HR competencies-set (2).  
\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

When analyzing for each particular type of organizational structure (tables 4.18., 4.19. and 4.20.), most significant relationships were found for data with a minimum of respondents (1 to 4 respondents, for divisional structure and network structure). Organizations with a combination of a functional and divisional structure, seem to employ HR professionals that were significantly better in the area of 'Personal credibility'. From this we can draw the conclusion that the set of HR competencies should be more advanced within a firm with a divisional structure and less advanced within a firm with a network structure.

<i>Dimension</i>	<i>F-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	2.619	0.062*	3, 45
HR technology	3.985	0.013**	3, 45
HR innovation and integration	0.662	0.581	3, 38

Strategic focus	0.153	0.927	3, 30
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Table 4.21. Use of technology; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

Hypothesis 6 states that use of technology influences the HR competencies. Two of the four tests across the dimensions indeed showed a relationship with use of technology. Remarkable is that higher scores on 'personal credibility' showed a stronger relationship with use of technology than the 'HR technology'-dimension (see table 4.21.). The test with 'HR innovation and integration' and 'Strategic focus' delivered no significant result. This means that hypothesis 5 was supported, and the nuance for 'HR technology' I have argued for has proven to be valid. It seems that competencies of the 'HR technology'-dimension improve when the HR professional works in a technical environment. The same seems to be true for the dimension 'Personal credibility'.

<u>Dimension</u>	Not		Seldom		Often		Always	
	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>
Personal credibility	3	4,9375	15	5,0521	24	5,7348	7	5,9182
HR technology	3	4,7083	15	4,4167	24	5,6042	7	5,1429
HR innovation and integration	3	4,5496	13	4,5798	19	4,8167	7	5,2105
Strategic focus	2	4,8869	11	4,9367	16	4,8208	5	4,6281

Table 4.22. Use of technology; Means per degree of use of technology across the dimensions of the HR competencies-set.

<u>Dimension</u>	Not			Seldom		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	4.147	.000***	48	3.307	.002***	48
HR technology	2.484	.017**	48	4.243	.000***	48
HR innovation and integration	1.571	.124	41	1.374	.177	41
Strategic focus	-0.376	.709	33	-0.730	.471	33

Table 4.23. Degrees of use of technology; Results of tests with the dimensions of the HR competencies-set (2).

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	Often			Always		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-1.698	.096*	48	-3.042	.004	48
HR technology	-2.922	.005***	48	-0.139	.890	48
HR innovation and integration	-0.175	.862	41	-2.750	.009***	41
Strategic focus	0.093	.927	33	1.460	.154	33

Table 4.24. Degrees of use of technology; Results of tests with the dimensions of the HR competencies-set (2).

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

Given the results per degree of use of technology (tables 4.22., 4.23. and 4.24.), it has been shown that HR professionals who use technology not or seldom also possess less competence in the dimensions 'Personal credibility' and 'HR technology'. As HR professionals utilize technology more often, they accordingly score higher on both of the aforementioned dimensions. This is a confirmation of the conclusion stated in the case of table 4.21. A remarkable finding is that respondents who indicate that they always use technology only show a significant relationship with

the dimension 'HR innovation and integration'. Thus, for HR professionals who always use technology, the competencies of the 'HR innovation and integration'-dimension are higher, probably because it is required in business.

<u>Dimension</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-0.133	0.895	46
HR technology	-0.652	0.518	46
HR innovation and integration	-2.015	0.052*	40
Strategic focus	-1.680	0.103	32

Table 4.25. Type of business strategy; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

The 7<sup>th</sup> hypothesis concerned the influence of type of business strategy on HR competencies. A higher score on the dimension 'HR innovation and integration' is related to type of business strategy ( $t(40)=2.015$ ,  $p=.052$ ). Hypothesis 7 was supported, because 'internationalization was related to the 'HR innovation and integration'-dimension. All other dimensions were not significantly related to type of business strategy. The choice of a particular type of business strategy seems to lead to different requirements in the set of HR competencies for the HR professional.

<u>Dimension</u>	<b>Defender strategy</b>		<b>Prospector strategy</b>	
	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>
Personal credibility	27	5.4753	21	5.5129
HR technology	27	5.0463	21	5.2679
HR innovation and integration	24	4.5522	18	5.1069
Strategic focus	18	4.6165	16	5.0784

Table 4.26. Type of business strategy; Means per type of strategy across the dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	<b>Defender strategy</b>			<b>Prospector strategy</b>		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	0.204	.839	48	-0.071	.944	48
HR technology	0.444	.659	48	-0.893	.376	48
HR innovation and integration	1.554	.128	41	-2.073	.045**	41
Strategic focus	1.542	.133	33	-1.735	.092*	33

Table 4.27. Types of business strategy; Results of tests with the dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

In investigating the difference between a defender and a prospector strategy in more detail, significant relationships have been found for the dimensions 'HR innovation and integration' and 'Strategic focus'. On both dimensions, HR professionals, working in an organization pursuing a prospector strategy, scored significantly higher. A prospector strategy seems to require a higher level of HR competencies concerning 'HR innovation and integration' and 'Strategic focus'.

<u>Dimension</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-1.942	0.058*	47
HR technology	-1.100	0.277	47
HR innovation and integration	-1.093	0.281	40

Strategic focus	1.070	0.293	32
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Table 4.28. Gender; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	0.574	0.899	20
HR technology	0.697	0.796	20
HR innovation and integration	0.591	0.877	20
Strategic focus	0.776	0.699	57

Table 4.29. Work experience; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	2.280	0.041**	8, 40
HR technology	1.609	0.153	8, 40
HR innovation and integration	1.803	0.127	6, 35
Strategic focus	1.212	0.330	5, 28

Table 4.30. HR function; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	7.074	0.002***	2, 46
HR technology	8.048	0.001***	2, 46
HR innovation and integration	4.806	0.014**	2, 39
Strategic focus	0.567	0.573	2, 31

Table 4.31. Organization of the HR function; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	<u>F-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	0.848	0.401	47
HR technology	0.085	0.932	47
HR innovation and integration	-0.718	0.477	40
Strategic focus	-0.057	0.955	32

Table 4.32. Hierarchy; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

<u>Dimension</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	0.666	0.509	47
HR technology	0.571	0.591	47
HR innovation and integration	0.057	0.955	40
Strategic focus	0.072	0.943	32

Table 4.33. Teamwork; results of tests with dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\* $P < 0.01$  (two-tailed)

Although the rest of the variables were control variables, some interesting relationships have been found that are worth discussing. It seems that the organization of the HR function matters to the level of HR competencies of an HR professional because the dimensions 'Personal credibility', 'HR technology' and 'HR innovation and integration' delivered significant results (see table 4.31.). Moreover, for the dimension 'personal credibility', a significant relationship was found for 'gender' ( $t(47)=-1.942$ ,  $p=0.058$ ) and for 'HR function' ( $t(8,40)=2.280$ ,  $p=0.041$ ).

However, the data with regard to the control variables have been analyzed in more detail as well. Tables 4.34 to 4.45 concern this analysis. With regard to gender, all male respondents scored significantly lower on dimensions 'Personal credibility', 'HR technology' and 'HR innovation and integration'. Moreover, the male respondents scored significantly higher on dimension 'Strategic focus'. HR managers scored significantly higher on all dimensions, which indicates that HR managers need to possess a more advanced set of HR competencies. A P&O employee probably works more with technology, since they scored significantly higher on HR technology but significantly lower on 'HR innovation and integration' and 'Strategic focus'. With regard to organization of the HR function, a significant relationship across all dimensions has been found for 'decentrally organized'. However, the number of corresponding respondents (3) is too small to do statements. HR professionals working in centrally organized organizations scored significantly better on 'HR innovation and integration', however. No other meaningful relationships have been found.

<i>Dimension</i>	<b>Male</b>		<b>Female</b>	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Personal credibility	13	5,0745	36	5,6580
HR technology	13	4,8173	36	5,2292
HR innovation and integration	11	4,5099	31	4,8893
Strategic focus	9	5,0846	25	4,7436

Table 4.34. Gender; Means per type of gender across the dimensions of the HR competencies-set.

<i>Dimension</i>	<b>Male</b>			<b>Female</b>		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	3.143	.003***	48	-1.135	.262	48
HR technology	1.826	.074*	48	-0.660	.513	48
HR innovation and integration	1.831	.074*	41	-0.650	.519	41
Strategic focus	-1.779	.084*	33	0.640	.526	33

Table 4.35. Types of gender; Results of tests with the dimensions of the HR competencies-set.

\* $P < 0.10$ ; \*\*  $P < 0.05$ ; \*\*\*  $P < 0.01$  (two-tailed)

<i>Dimension</i>	<b>HR manager</b>		<b>Personnel officer</b>		<b>HR business partner</b>		<b>Employee P&amp;O</b>	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Personal credibility	11	6,1098	9	4,9630	7	4,9524	6	5,4670
HR technology	11	5,7273	9	4,4583	7	4,5000	6	5,5417
HR innovation and integration	10	5,4720	9	4,6878	7	4,5247	5	3,9717
Strategic focus	9	5,3189	8	4,7551	5	4,7590	3	4,1342

Table 4.36. HR function; Means per type of HR function across the dimensions of the HR competencies-set.

<i>Dimension</i>	<b>HR manager</b>			<b>Personnel officer</b>		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>

Personal credibility	-4.447	.000***	48	3.960	.000***	48
HR technology	-3.665	.001***	48	3.992	.000***	48
HR innovation and integration	-4.460	.000***	41	0.668	.508	41
Strategic focus	-3.441	.002***	33	0.559	.580	33

Table 4.37. Types of HR function; Results of tests with the dimensions of the HR competencies-set (1).  
\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<i>Dimension</i>	HR business partner			Employee P&O		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	4.038	.000***	48	0.265	.792	48
HR technology	3.741	.000***	48	-2.545	.014**	48
HR innovation and integration	1.734	.090*	41	5.350	.000***	41
Strategic focus	0.531	.599	33	4.964	.000***	33

Table 4.38. Types of HR function; Results of tests with the dimensions of the HR competencies-set (2).  
\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<i>Dimension</i>	Centrally		Decentrally		Combined	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Personal credibility	20	5,5865	3	3,7118	26	5,6458
HR technology	20	5,2375	3	2,8333	26	5,2933
HR innovation and integration	17	5,2314	3	3,6513	22	4,6040
Strategic focus	14	4,9867	2	4,4046	18	4,7627

Table 4.39. Organization of HR function; Means per type of organization of HR function across the dimensions of the HR competencies-set.

<i>Dimension</i>	Centrally		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	-0.611	.544	48
HR technology	-0.710	.481	48
HR innovation and integration	-2.887	.006***	41
Strategic focus	-1.084	.286	33

Table 4.40. Types of organization of the HR function; Results of tests with the dimensions of the HR competencies-set (1).  
\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<i>Dimension</i>	Decentrally			Combined		
	<i>t-value</i>	<i>p-value</i>	<i>df</i>	<i>t-value</i>	<i>p-value</i>	<i>df</i>
Personal credibility	13.132	.000***	48	-1.045	.301	48
HR technology	13.798	.000***	48	-1.046	.301	48
HR innovation and integration	7.445	.000***	41	1.216	.231	41
Strategic focus	3.045	.005***	33	0.505	.617	33

Table 4.41. Types of organization of the HR function; Results of tests with the dimensions of the HR competencies-set (2).  
\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<i>Dimension</i>	Hierarchical		Not hierarchical	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Personal credibility	36	5,5729	13	5,3101
HR technology	36	5,1285	13	5,0962

HR innovation and integration	31	4,7242	11	4,9752
Strategic focus	24	4,8286	10	4,8466

Table 4.42. Hierarchy; Means per type of hierarchy across the dimensions of the HR competencies-set.

<u>Dimension</u>	Hierarchical			Not hierarchical		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-0.511	.612	48	1.415	.163	48
HR technology	-0.052	.959	48	0.143	.887	48
HR innovation and integration	0.430	.670	41	-1.211	.233	41
Strategic focus	0.037	.970	33	-0.090	.929	33

Table 4.43. Types of hierarchy; Results of tests with the dimensions of the HR competencies-set.

\*P<0.10; \*\* P< 0.05; \*\*\*P<0.01 (two-tailed)

<u>Dimension</u>	Often teamwork		Not often teamwork	
	<u>N</u>	<u>mean</u>	<u>N</u>	<u>mean</u>
Personal credibility	43	5,5373	6	5,2587
HR technology	43	5,1802	6	4,6875
HR innovation and integration	37	4,7932	5	4,7661
Strategic focus	30	4,8376	4	4,8055

Table 4.44. Teamwork; Means per degree of teamwork across the dimensions of the HR competencies-set.

<u>Dimension</u>	Often teamwork			Not often teamwork		
	<u>t-value</u>	<u>p-value</u>	<u>df</u>	<u>t-value</u>	<u>p-value</u>	<u>df</u>
Personal credibility	-0.250	.804	48	1.792	.079*	48
HR technology	-0.364	.718	48	2.609	.012**	48
HR innovation and integration	-0.021	.983	41	0.156	.877	41
Strategic focus	-0.027	.979	33	0.201	.842	33

Table 4.45. Degrees of teamwork; Results of tests with the dimensions of the HR competencies-set.

## **5. Conclusion**

In the introduction the importance of HR competencies was explored. Ultimately, HR competencies could lead to sustainable competitive advantage. Secondly, assuming that a good HR professional wants to improve himself/herself, a good understanding of HR competencies and its accompanying context is needed. Additionally, the necessity of investigating the influence of business context factors on HR competencies was specified. The development of HRM and in particular HR competencies was sketched, which made clear that HR competencies do not develop autonomously. Furthermore, the used definition of 'competence' contained an element that led to the use of the contingency approach with 'within the constraints of the business environment'. Ultimately, answering the following research question was the primary goal of the research:

*What business context factors out of the business context influence the HR competencies for HR professionals?*

Consequently, the six HRCS studies and the research by Marsman (2011) were explored. This has led to the identification of four main dimensions concerning HR competencies; personal credibility, HR technology, HR innovation and integration and strategic focus. The names of the dimensions were formulated on the basis of the empirical evidence for these dimensions and the practical recognition for HR professionals. From the HRCS studies and general HRM literature, business context factors were identified. The seven business context factors that were selected to investigate, were all widely discussed and/or empirically confirmed (see chapter 2).

Because the research topic is merely objective and factual, the survey was chosen as research method. Furthermore, surveys are often used in HR competencies research and it provides the researcher with the possibility to draw a larger sample than an interview operationalization. Consequently, seven hypotheses have been tested, of which six were supported. Hypothesis 3 was not supported (firm size did not influence HR competencies). In an organization, business context factors organizational culture, type of industry, organizational structure, use of technology, type of business strategy and internationalization are all related the set of HR competencies, on one, two or three dimensions. Type of industry was related to three of the four dimensions, thus this factor is the strongest influencer of the set of HR competencies. For 'type of business strategy' and 'organizational culture', only one dimension was significantly related to the aforementioned business context factors (see also table 5.1. for a schematic overview of the results).

<b>H1</b>	The organizational culture of an organization the HR professional works for influences the set of HR competencies of the HR professional.	<b>Supported</b>	For 'Personal credibility'
<b>H2</b>	Whether the organization the HR professional works for does business abroad or not, influences the set of HR competencies of the HR professional.	<b>Supported</b>	For 'HR technology' 'Strategic focus'
<b>H3</b>	The type of industry the HR professional works in, influences the set of HR competencies of the HR professional.	<b>Supported</b>	For 'Personal credibility' 'HR technology' 'HR innovation and integration'



<b>H4</b>	The firm size of the organization the HR professional works for, influences the set of HR competencies of the HR professional.	<b>Not supported</b>	
<b>H5</b>	The organizational structure of the organization the HR professional works for, influences the set of HR competencies of the HR professional.	<b>Supported</b>	For 'Personal credibility' 'HR technology'
<b>H6</b>	The degree to which technology is used within the organization the HR professional works for influences the set of HR competencies of the HR professional, in particular HR competencies concerning HR technology.	<b>Supported</b>	For 'Personal credibility' 'HR technology'
<b>H7</b>	The type of business strategy of the organization the HR professional works for, influences the set of HR competencies of the HR professional.	<b>Supported</b>	For 'HR innovation and integration'

Table 5.1. Schematic overview of the results.

Additionally, especially the dimensions 'personal credibility' and 'HR technology' were strongly related to various (seven and five respectively) business context factors. Consequently, it can be concluded that the skills and knowledge for these two dimensions are largely shaped by the business context. The requirements of the HR competencies-set differ, dependent on business context factors. It is remarkable that the other dimensions were less influenced, because 'HR innovation and integration' involves almost the whole organization and also the dimension 'strategic focus'. Therefore, one would assume that the dimensions 'HR innovation and integration' and 'Strategic focus' should be more influenced by factors from the business context.

Further analysis showed that particular types of strategy, culture, structure, industry and firm size are related to the level of HR competencies. Firms pursuing a prospector strategy probably require that their HR professionals have a more advanced set of HR competencies, since both 'HR innovation and integration' and 'Strategic focus' delivered significantly higher scores for the HR professionals working in such an organization. Besides, it seems that the mission culture has a negative influence upon the HR competencies-set, except the dimension 'Strategic focus', HR professionals working in a mission culture scored significantly lower on all dimensions. HR professionals working in small organizations with 10 employees or less, seem to require less HR competencies since the respondents who indicated they worked in such an organization, scored significantly lower on all dimensions. I should note, however, that the number of respondents in the 'micro organizations' subpopulation was very small, which detrimentally influences the reliability of test results. Therefore the mentioned finding is substantiated to only a limited degree.

It seems that HR professionals working in the education or manufacturing industries need to possess better competencies in the 'Personal credibility'-dimension. HR professionals working in smaller organizations scored significantly lower on all dimensions, except 'HR innovation and integration'. This might mean that HR professionals do not need advanced skills in HR to work in smaller organizations. Also the HR function seems to matter, since HR managers scored higher on all

dimensions, personnel officers scored lower on 'Personal credibility' and 'HR technology'. HR business partners scored lower on all dimensions, except 'Strategic focus'.

Although the detailed analysis was conducted using data of a very small number of respondents, it provides an indication that a suitable match between the profile of the HR professional and organization matters. It seems that the gap between possessed HR competencies and required HR competencies could be solved when all business context factors are taken into account. A particular scenario (for example the choice of strategy) could be related to the required set of HR competencies for the HR professional.

The research contributed to our understanding of the importance of HR competencies and business context factors in several ways. First of all, a new set of HR competencies has been developed. Different from the HRCS 2012, not six but four dimensions were distinguished. Organizational culture, internationalization, type of industry, organizational structure, use of technology and type of business strategy are identified as business context factors. Further analysis showed specific types of culture, particular types of industry, prospector strategy, combination of functional and divisional structure and small organizations related to HR competencies. This creates several scenarios in which organizations have to cope with a difference in the level of HR competencies of the HR professionals. An extra contribution of this research to the body of HRM literature is the historical overview of the development of HRM in chapter 1. Finally, the best-fit approach was a better method to use in this research, because the findings show the necessity of the best-fit approach.

## **6. Discussion**

Although the tests delivered interesting results, there are some remarks. Concerning the research question (*What business context factors influence the HR competencies for HR professionals?*), it has been noticed that of the business context factors that were investigated, only 'firm size' was not related to HR competencies at all. However, as already stated, 'firm size' was not accurately investigated because most respondents were employed to large organizations. When more respondents working in smaller organizations filled in the questionnaire, the comparison between small and large organizations could be investigated more precise. All other hypotheses were supported, finding influence of business context factor across one, two or three dimensions.

### **6.1. Interpretation of results**

For organizational culture in general, it was found that only the dimension 'Personal credibility' was related to this business context factor. Jackson and Schuler (1995) argue that organizational culture and HRM cannot be separated within an organization. Furthermore, Ferris et al. (1998) discuss organizational culture as an antecedent for employee attitudes and beliefs, Bowen and Ostroff (2004) found organizational climate as mediator between HRM system and firm performance. A shared organizational culture is essentially the same as a strong organizational climate (Lau & Ngo, 2004). Thus, in literature, the relationship between organizational culture and HRM is clear. What is new however, is the relationship between organizational culture and HR competencies. In chapter 2 was already argued that organizational culture was impacted via national culture. Marsman (2011) also suggested the influence of national culture, because research within a sample of Dutch HR professionals delivered other results than research conducted within a global sample.

The detailed analysis showed that a mission culture was related to all dimensions, except 'Strategic focus'. A mission culture is characterized by a clear vision from above. That is, the managing board provides the rules and guidelines and the way of working. Extra competencies should not be necessary then. The reverse is true for 'clan culture' which advocates more involvement of employees and where employees are considered an important asset within the organization. Then extra high competencies should be needed.

As to the effect of internationalization on HR competencies, only the dimensions 'HR technology' and 'Strategic focus' were influenced through this business context factor. Because HRM activities could become more complex when employees work in different countries (different legislation et cetera), the use of e-HRM could be more vital. Then, skills within the dimension 'HR technology' are important. Distance could play a more important role by organizations doing business abroad, which could mean that working with technology is more important and therefore higher scores on 'HR technology' could also be achieved. Because multinational companies have to deal with employees abroad, it seems clear that the HR professionals working in such an organization are taken more seriously and therefore have a seat at the negotiating table with regard to strategy. Then the competencies in such areas deliver higher scores.

Datta, Guthrie and Wright (2005) investigated whether industry characteristics moderate the effect of HR practices. Industry capital intensity, growth and differentiation influenced the productivity enhancement through HR practices. Datta Guthrie and Wright (2005) discuss also the importance of industry for organizations in general. The type of industry is an important part of the milieu within

organizational policies and practices are framed and executed (Datta, Guthrie, & Wright, 2005). The results in this research correspond with literature, because it was the most important influencer of the set of HR competencies. Further explanations for the relationships of HR competencies with the public administration and defense industry, education industry and manufacturing industry have not been found.

Organizational structure was related to HR competencies. Specifically, the divisional structure and the network structure were related to HR competencies. Respondents had four options, whether their organizational structure could be characterized as functional, divisional, a combination of functional and divisional, or as a network structure. The advantage of a functional structure is that employees can develop their expertise in a particular area. For HR competencies this means an increased level of skills in a particular area. A divisional structure suggests that employees need to possess a greater variety of skills (in comparison to employees operating within a functional structure). In this respect, type of organizational structure does have influence upon HR competencies. Moreover, the organizational structure influences the social system of an organization and its relationships. The grouping of individuals is achieved by the organizational structure. Jackson and Schuler (1995) argue that divisionalized structures lead to more integration across units. Then, a relationship with the dimension 'HR integration and innovation' could be there. However, only one respondent worked in a divisionalized organizational structure. This indicates that a relationship of divisionalized structure with HR integration and innovation could not be appropriately investigated. Only on dimensions 'Personal credibility' and 'HR technology' and 'HR innovation and integration' were influenced by organizational structure. As already stated, a growth of expertise could be achieved by a functional structure. 21 respondents indicated that they worked in such a structure. As expertise grows, prestige towards employees could also be greater, which influences the 'Personal credibility'-dimension. The consequences of organizational structures for work could lead to the use of e-HRM, which in turn could lead to better skills in HR technology.

As suggested by Ruel, Bondarouk, and Looise (2004), technology in HRM (e-HRM), can have the following effects; improving the strategic orientation of HRM, cost reduction/efficiency gains, client service improvement/facilitating management and employees. Especially the improvement of the strategic orientation of HRM could influence HR competencies. If an organization uses more technology, HR professionals working for that organization become more strategically oriented and become more skilled in the strategic area. Besides, the use of technology itself could result in development of skills in the HR technology dimension. The results indicate that the latter assumption is true. For personal credibility, it is possible that efficiency gains lead to better work outcomes, through what prestige towards employees grows. That could be the reason why the use of technology influenced personal credibility.

A type of strategy determines how an organization is led (Wit & Meyer, 2004). It has therefore implications for the manner whereupon employees are treated by the organization. This means that strategy ultimately influences the HRM policy of an organization, and in turn the type of HRM policy leads to special requirements of the HR competencies of the HR professional assigned to fulfill this HRM policy. When an organization follows a more 'Defender'-oriented strategy, the HR professional seems to need a different set of HR competencies than when an organization follows a more 'Prospector'-oriented strategy. Different requirements seem to be there in particular with regard to

the dimensions 'HR integration and innovation' and 'Strategic focus'. Miles, Snow, Meyer and Coleman (1978) indicate that "the Prospector's prime capability is that of finding and exploiting new product- and market opportunities. For a Prospector, maintaining a reputation as an innovator in product and market development may be as important as, perhaps even more important, than high profitability" (Miles, Snow, Meyer & Coleman, 1978, p. 551). The prospector focuses thus more upon innovation. A direct link between the competency dimension 'HR integration and innovation' and type of strategy (a prospector strategy) thus exists. It is assumable that only this dimension is then influenced by type of strategy. The effect of type of strategy comes from the prospector strategy. Given the innovative character of this strategy, it should recognize the essential role of human resources, which in turn could lead to extra required HR competencies. About strategy and HRM in general, a great deal of literature can be found out of the 'Strategic Human Resource Management' area. Thus, the link between HRM and strategy is not new.

Having described the business context factors in comparison to literature and explained the results, the level of HR competencies is observed. As in the HRCS 2012 HR competencies were measured using a five-point scale, the results of this research are transformed into a similar distribution to compare. Table 6.1. shows the comparison.

<b>Results of this research</b>		<b>Results of HRCS 2012</b>	
Dimension 'Personal credibility'	3.93	Dimension 'Credible activist'	4.23
Dimension 'HR technology'	3.66	Dimension 'Technology proponent'	3.74
Dimension 'HR innovation and integration'	3.42	Dimension 'HR innovator and integrator'	3.90
Dimension 'Strategic focus'	3.45	Dimension 'Strategic positioner'	3.89

*Table 6.1. Comparison results of this research with the results of HRCS 2012.*

Table 6.1. shows that the scores of respondents of this research differ from the results of HRCS 2012. The respondents who cooperated with this research scored a bit lower than the worldwide sample of Ulrich and colleagues in 2012. What is further remarkable is that the sequence in scores across the dimensions is not the same. While 'Personal credibility' still scored highest, 'HR technology' scored second highest, whereas it scored lowest in HRCS 2012. The differences in type of sample explain the differences in scores. Whereas the HRCS 2012 comprised a sample of 20,000 respondents throughout the whole world, the sample of this research was 58 respondents within the Netherlands.

## **6.2. Limitations**

The research shows interesting results. However, these results should be interpreted within the limitations of the research. These limitations are outlined below.

Although as many HR professionals as possible were approached to fill in the questionnaire, for a survey an amount of 58 respondents is still small. Within the detailed analysis were the relationships of the types of the business context factors have been investigated on their relationship with HR competencies, the n was even smaller. These conclusions should therefore be interpreted in the light of a very small number of respondents.

The respondents were approached via several ways; LinkedIn, Facebook, via friends, through the networks of cooperatives of this project. A selection of respondents has taken place. People who

were not part of the network, or were not a member on Facebook or LinkedIn, or even did not have access to internet, were not able to cooperate with the research.

Except the approach of respondents, only respondents who worked in the Netherlands were selected. This means that findings can only be generalized to the Netherlands, and not abroad to other countries.

Next to respondents who could not have been able to cooperate, respondents who did cooperate made some comments. Three respondents remarked that it was not easy to answer all questions. Reasons they gave were all different. Respondents argued that the questioning of some issues was unrealistic, respondents declared themselves not familiar with certain skills, as they were not part of their profession. However, all people tried to fill in the questionnaire honestly and at best knowledge. This advocates that the use of 360 degree logic was not necessary.

Some respondents provided some feedback about the questionnaire. One respondent commented that the questions within the dimension 'Strategic focus' were a matter of interpretation, since strategy exists in various forms (business-level, corporate-level or network-level strategy, Wit & Meyer, 2004, for example). Another respondent argued that not all questions were relevant for his/her position. Since it was not possible to skip any question, some answers could not be relevant or correct for this respondent. However, this was only 1 of the 58 respondents. Another respondent found it also difficult to answer the questions because some questions were not applied to his function. Two respondents commented that the questions were directed to the profit-sector rather than both the profit and non-profit sector. This shows the aforementioned drawback of surveys; the fact that the questionnaires are inflexible. Next to that, the respondents commented that different interpretations could be given to some questions, which means that other operationalizations are possible and might have been more suitable.

Although the questionnaire was pre-tested and adjusted and widely discussed, apparently it was not enough. The questionnaire remained unclear in some aspects. However, pre-testing never guarantees that the questionnaire is completely perfect.

The results do not give a detailed view of the influence of business context factors upon HR competencies, because survey was chosen as a research method. This research method leads to superficial results, as also described in chapter 3.

Exploring the data showed that 40% of the respondents worked in the education industry. This indicated that the data around type of industry was not equally divided. This could have some impact upon the results.

A major limitation of this research is that only seven business context factors were analyzed on their relationship with HR competencies. Other contingencies could also exist. In the next paragraph, some other possible contingencies are explored.

### **6.3. Other contingency variables**

As remarked earlier, not all possible contingency variables were investigated in this research. A selection of variables has been made, following the quantity of empirical evidence. Therefore, numerous other options stayed open. There could also have been variables that are uncontrollable. According to Ulrich (2008) these variables include 50% of the total influence other variables have on organizations. Because of this recognized importance, we explore the macro environment among HR competencies in more detail.

Already mentioned in the introductory chapter was the issue of globalization. This phenomenon influences the business environment around the HR professional (Chartered Institute of Personnel and Development, 2012; Farndale et al., 2010). Farndale et al. (2010) find that different configurations of the HRM function exist across national boundaries. Other influences are among others e-HRM and the rise of HR shared service centers. These factors influence the HR competencies, how they change and what business requires for competencies. Globalization leads to a challenging paradox for organizations. Going abroad leads to the question whether to localize or globalize (Bae & Rowley, 2001; Wit & Meyer, 2004). The tension between localization and globalization declares that the universalist perspective of HRM stating that there is one universal set of HR practices, is not sufficient. In other words, other factors influence HRM, whereby the contingency approach gains merits.

Localization means that the way of working is adapted to the local circumstances. This increases local responsiveness. Differences in supply structure, government regulations, infrastructure, and market structure all play a role. Globalization is then a matter of standardizing across countries and their cultures and thereby creating global synergy. This synergy can be achieved through three means; aligning positions, integrating activities, and leveraging resources (Wit & Meyer, 2004). In order to create synergy or local responsiveness, one has to know what is going on in other countries (Cushner & Mahon, 2002). How is the culture in countries overseas, how can organizations adapt to such cultures? What is necessary to apply HRM in these countries, in a sound manner? Knowledge about different cultures is a necessity for HR professionals working international. This illustrates the influence of the macro environment upon a single organization. Therefore, factors out of the macro environment need to be explored.

In order to describe the macro environment, I explore socio-cultural, legal, and political factors. It is because of these forces that there is a prediction of a worldwide tendency for countries to copy and transfer HR practices so that HRM systems converge (Bae & Rowley, 2001). Globalization's impacts on HRM may come through opening the economic system to external factors (political and social). While using this approach, emphasis is placed upon main HRM trends in the workforce (included in socio-cultural factors) and globalization issues in the Netherlands in particular.

#### **6.3.1. Socio-cultural factors**

The aging workforce has led to shifts in supply and demand in the labor market. As more and more people are older, the degree of young talents is decreasing. Some authors even talk about a war on talent (Beechler & Woodward, 2009; Chambers, Handfield-Jones, Hankin, & Michaels, 1998; Cliffe, 1998; Preston, 2005). The Central Planning Bureau in the Netherlands also sees a trend of increase in age among workers. In 2000, the average was 40.67 years, whereas in 2008, only 8 years later, the

age has increased to 42.58, almost 2 years in such a small time period (S. Groot & De Groot, 2011). The aging is however different in all parts of the world.

Jackson and Schuler (1995) argue that labor market conditions influence HRM. Especially the unemployment level has an influence. The higher the unemployment rate, the lower the absenteeism among workers. Also turnover rates decrease as unemployment is high (Jackson & Schuler, 1995). Additionally, Jackson and Schuler (1995) state that labor market diversity and the labor market structure are important elements. Michie and Sheehan-Quinn (2001) discuss the concept of labor market flexibility that influences the success of companies in the US and the UK. These four elements of labor market conditions have important impacts upon workers and HR professionals. The socio-cultural context of an organization requires different competencies from the HR professional. Important aspects of HRM work like absenteeism among workers, labor market diversity, structure, and conditions from the socio-cultural context of the organization influence the work of the HR professional directly.

As for demographics, all around the world there are different demographic backgrounds. As education level is increasing among employees, they become more critically towards their employers (Ulrich, 2008). Especially the HR professional should deal with this issue, and thus invoke their communicative skills and the use of socialized power (Boyatzis, 1982).

These factors give HR professionals challenges. DeSimone et al. (2002) state that organizations should develop employee skills, make effectively use of technology, develop new organizational structures, and build cultures that foster learning and innovation. Most of these challenges are for the account of HR professionals. All the described factors come predictable or unpredictable and are mostly uncontrollable per individual. Only observing is not enough anymore, understanding and adapting to business trends becomes the challenge for the coming years (Ulrich, 2008).

Specifically for HR there are some major trends in the demographics. Women are according to Ulrich et al. (2007) increasingly involved in HR, a total percentage of over the 50 percent, as opposed to 20-25 percent earlier. Education among HR professionals has also increased (Ulrich et al., 2007). The average age of the HR professional and more women in HR can have impact upon HRM.

### **6.3.2. Legal factors**

On the whole, it has been widely recognized that the legal environment is an important context for HRM (Storey et al., 2009). Given the global context, sources of labor and employment law include standards from the International Labor Organization (ILO) and the guidelines of the Organization of Economic Cooperation and Development (OECD). The standards arisen from the ILO can be seen as fundamental rights for workers, including freedom of association, rights for collective bargaining, freedom from discrimination in employment, effective abolition of forced or compulsory behavior and child labor. The standards of the ILO are enforced in the Netherlands by ratification. The OECD has some similar aspects as those of the ILO, like discrimination avoiding and prohibition of child labor. What is different from the ILO standards, is that the OECD legal issues are guidelines and thus not legally binding.



Given the membership of the Netherlands of the European Union (EU), legal factors from this institution need to be taken into consideration. Legal requirements from the EU come in different forms; directives, regulations, opinions and recommendations (Storey et al., 2009). The directives are rules that member states must implement, although there is some freedom in what way the directive is implemented. Some directives are the protection of employees' right to unpaid wages in case of employer insolvency, obligations with regard to consulting employees, working time, individual employment contracts, parental leave and privacy. Also equal opportunity (no discrimination) is included. Understanding the body of law of the EU is crucial for the international HR professional (Storey et al., 2009). Next to the EU, which is with regard to the Netherlands the most crucial trading bloc, other trade agreements are the North American Free Trade Agreement, the ASEAN free trade zone, the MERCOSUR, CARICOM and SADC. To be truly global, also these agreements are of importance to the HR professional.

National aspects of law such as working conditions and protection from dismissal and social security also applies to the Netherlands. Minimum monthly wage is €1446,60. There is legislation with regard to working places which need to be safe and maintained, emergency facilities, physical load, suitable work for academics, working time, pauses, working time in special cases (Overheid.nl, 2012a, 2012b, 2012c, 2012d). All these legal aspects are of importance for the HR professional. Its required competencies will depend upon the legal context. Then, the impact of this legal context is interesting to investigate.

### **6.3.3. Political factors**

According to Boddy (2008), political factors are among others privatization policies, health and safety regulations and government stability. Given that Holland is part of the European Union, legislation is more complex. Besides, the legislation in Europe causes less choice for HR professionals in the field. Elements of importance are degree of employment protection, legislative requirements on pay and hours of work and forms of employment contracts, also included in legislation. On the whole, Europe has a greater degree of employment protection, in contrast to the United States of America (USA). Working time is recorded in European legislation (for example in France were a working week is no longer than 35 hours with 130 hours overtime on a yearly basis). On the contrary, working time has increased in the USA (Brewster, 2004). These boundaries may require better skills for the HR professional with regard to retaining and outplacing employees and planning aspects.

However, the European Commission's social and economic public policy objectives are driven by the aim of improving European firm's competitive capability in the global market (Harrison & Kessels, 2004). With regard to labor, an employee should be flexible to stand the globalization, is prescribed in Europe. What is needed in such an economy are technical, social, interpersonal and organizational skills. These skills need to be upgraded every time to cope with the rapid changing environment. Therefore, the training and development area of HRM is crucial now (Harrison & Kessels, 2004). These descriptions of the influence of the economy on skills indicates the contingent relationship with competencies. While there are some protectionism tendencies, European countries seek a balance between basic regulation and flexible labor markets to encourage entrepreneurship (Storey et al., 2009).

The economy in the Netherlands is characterized as a market-oriented environment, dependent on export. As the Netherlands have a strong consultative approach to decision-making, unions and employers have a considerable input into policy formulation, both for education and training. The government is influenced by the collective agreements of unions and employers, and these collective agreements are also legally binding (Harrison & Kessels, 2004; Sels et al., 2002).

These factors are different in every country. The factors influence the way organizations deal with their employees and how HR professionals have to deal with the employees. In this respect, socio-cultural, legal and political factors could influence the HR competencies of the HR professional.

## **7. Recommendations**

Taking into consideration both conclusion and discussion, implications are there practically and scientifically.

### **7.1. Practical implications**

The results of this research have practical implications in that the development of HR professionals within organizations cannot be separated from the business context. Organizations need to take care of their business context, next to offering training programs to HR professionals to develop skills and to acquire knowledge. Since the results and the discussion of the results showed us that factors that influence HR competencies are (could be) numerous, the dependence of organizations upon their business context is greater than most organizations would even assume.

When an HR professional is applying for a job, he or she should take in account the business context of firms he or she is applying to. The HR professional should critically examine himself/herself and look at the dimensions he or she is good at. Then the results of this research could show which business context suits with which HR competencies. When the HR professional does so, the prospect to be employed for a particular job could be improved.

The opposite is however true for organizations. When organizations analyze the profiles of the applicants, they could select the applicants that fit better with the organization more carefully. All in all, the application process can fasten because both parties (organization and HR professional) can choose the other party more effectively.

If the HR professional wants to improve himself/herself, the business context factors influences his/her competencies. This means that an HR professional then knows what he/she should pay attention to.

The results of the detailed analysis showed (within limitations such as the small number of respondents) that organizations should choose for a particular type of HR professional. On the other side, the HR professional knows what he or she needs to be competent in, in order to fulfill such a vacancy. When the HR professional needs to fill the vacancy of 'HR manager', a more advanced set of HR competencies is needed. When the HR professional needs to fill the vacancy of 'HR business partner', HR competencies of the dimension 'Strategic focus' are most important. Furthermore, organizations and HR professionals should watch the type of strategy the organization pursue. Pursuing a prospector strategy means that the HR competencies-set of the HR professional should include stronger skills in 'HR innovation and integration' and 'Strategic focus'. In this way, the gap between what is required and what is possessed can be closed.

### **7.2. Scientific implications**

Except implications for business life, also implications for the scientific world are present. Future research needs to be conducted in order to gain more understanding about the topic of HR competencies and its contingencies.

As discussed under 'Limitations', the results are superficial. In order to gain deeper understanding of the relationships that were retrieved from this research, further research is needed. Future research

can explore the direction of the relationship, whether a particular type of strategy, structure, culture or industry is correlated to HR competencies. Besides, the results only comprise the Netherlands. When the academic world wants to generalize across the world, also data from other countries needs to be gathered and analyzed. The business context factors that were explored in the discussion need further investigation. Although no relationship with firm size was found, the respondents worked mostly in larger organizations of 251 employees and more. The sample was not equally divided in this way, which could be the reason why no relationship was found. Therefore, further research is recommended, also because Marsman (2011) indicated that a relationship of HR competencies with firm size should exist. Boyatzis (1982) indicated that other competencies influence the HR competencies. This fact was not investigated in this research but could probably be interesting to examine.

The HRCS of 2012 concerned the investigation of the HR competencies in relation with impact on perception of HR effectiveness and impact on business performance. This study did not focus upon these two aspects. It shows however the direct effect of HR competencies upon the organization and the HR professional himself or herself. Therefore, in relation with contingency variables this focus could also be interesting in future research.

The results of the detailed analysis, investigating the relationship with HR competencies per type of each business context factor, should be interpreted with caution because of the small number of respondents. For future research, the same relationships should be tested within a larger sample to confirm these findings. For now, the found relationships are not generalizable thus further investigation is needed. The findings however pave the way toward a more in depth research, also with an investigation why certain relationships came up.

Although the best-fit approach was not supported much in literature, the findings presented in this thesis suggest otherwise. However, most research concerns HR practices and not HR competencies. HR practices and HR competencies are both elements of HRM though. Thus, generally speaking about HRM, the findings presented here are convincing. Delery and Doty (1996) found more support for the best practice approach, investigating HR practices in relation with firm performance. Paauwe and Boselie (2006) discuss that there is no consensus between the two approaches. While Delery and Doty (1996) found more convincing results for the best-practice approach, Boxall and Purcell (2003) argue that both approaches are right in their own way (Paauwe and Boselie, 2006). The results of this research show that there is no end to the discussion yet and simultaneously justify the use of the best-fit approach.

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## Appendix I

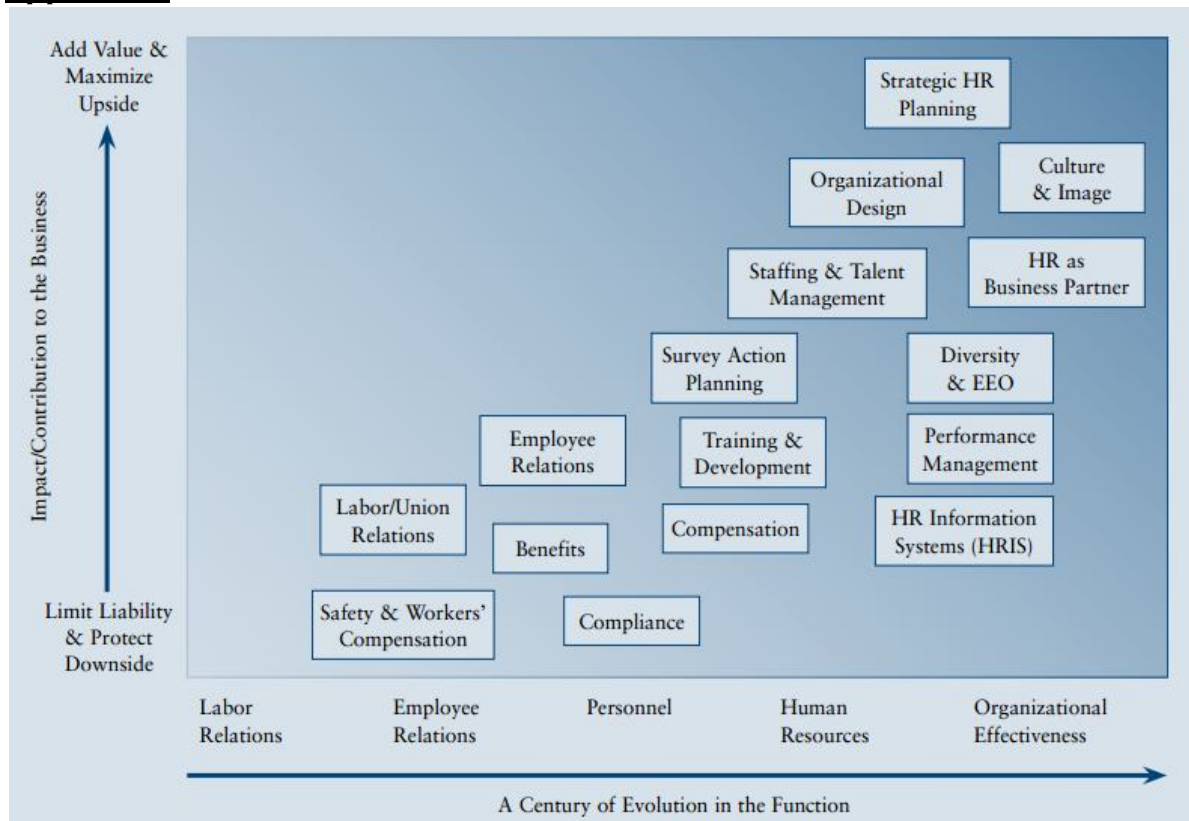


Figure 8.1. Illustration of increasing added value of the HR profession (adapted from Vosburgh, 2007).

**Appendix II**

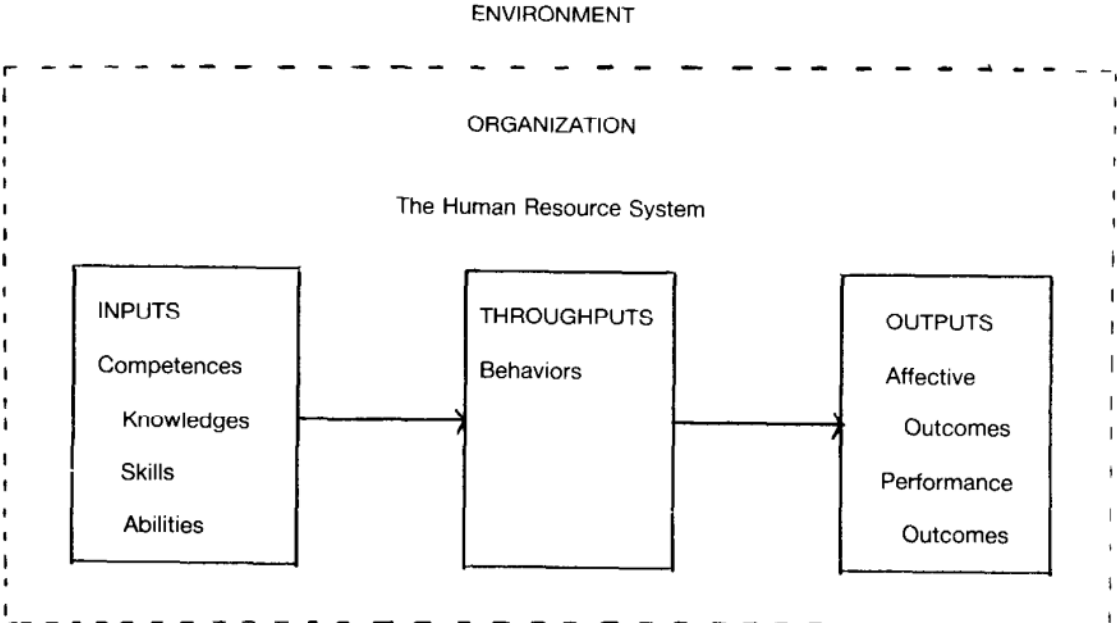


Figure 8.2. Human Resource system, from an open systems view (adapted from Wright and Snell, 1991).

### Appendix III

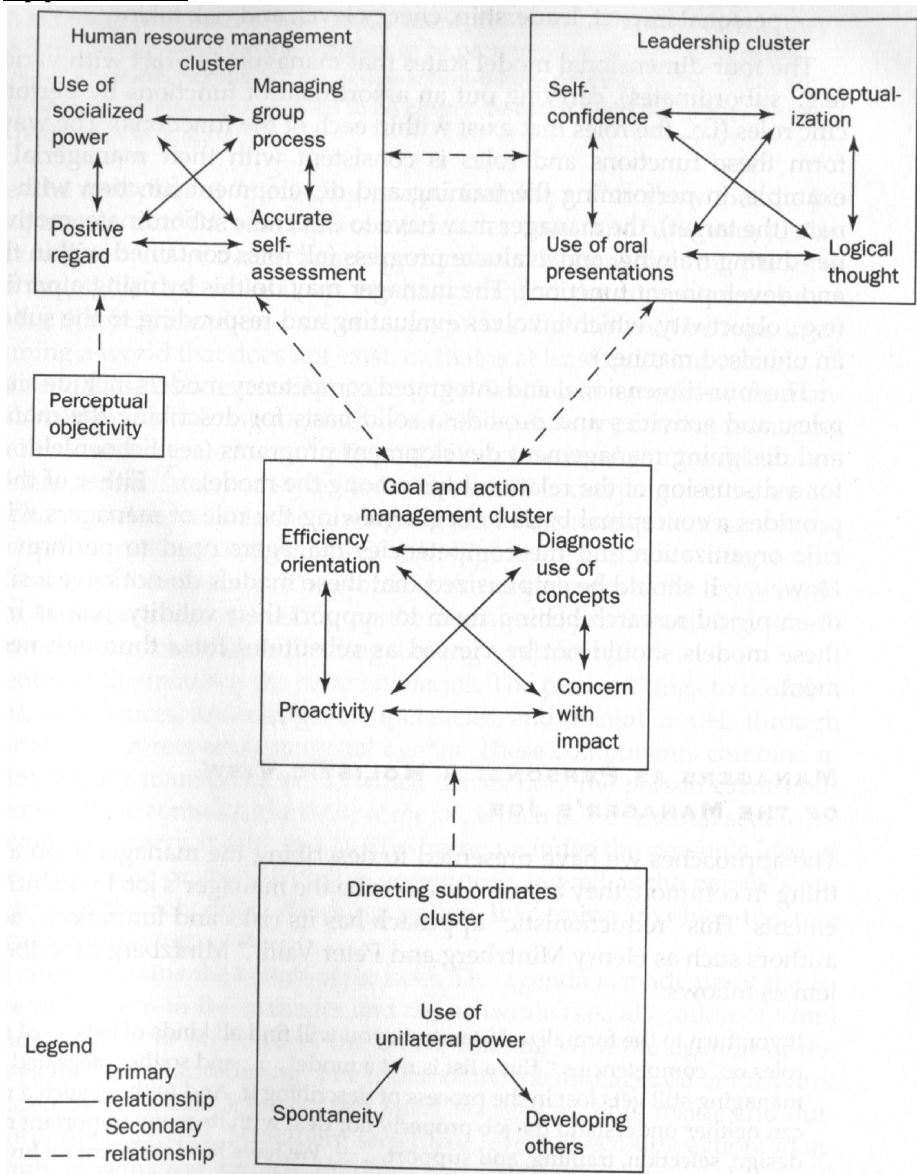


Figure 8.3. Integrated competency model (adapted from Boyatzis, 1982).

**Appendix IV**

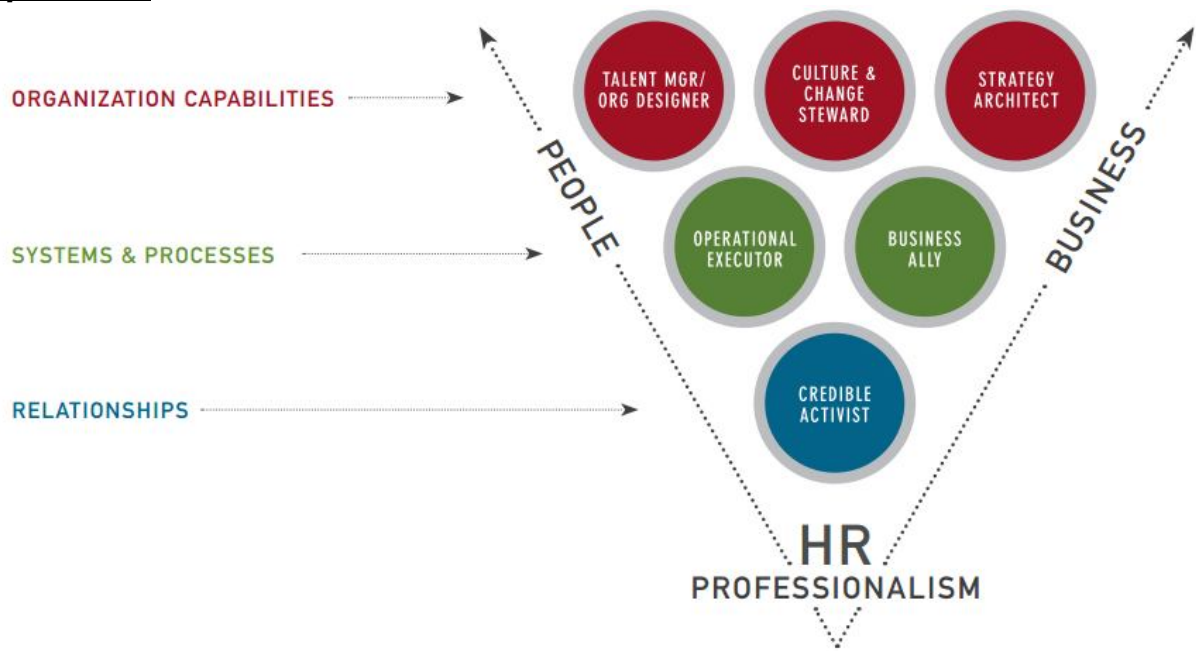


Figure 8.4. Model belonging to the results of HRCS 2007 (adapted from Ulrich, 2008).

**Appendix V**

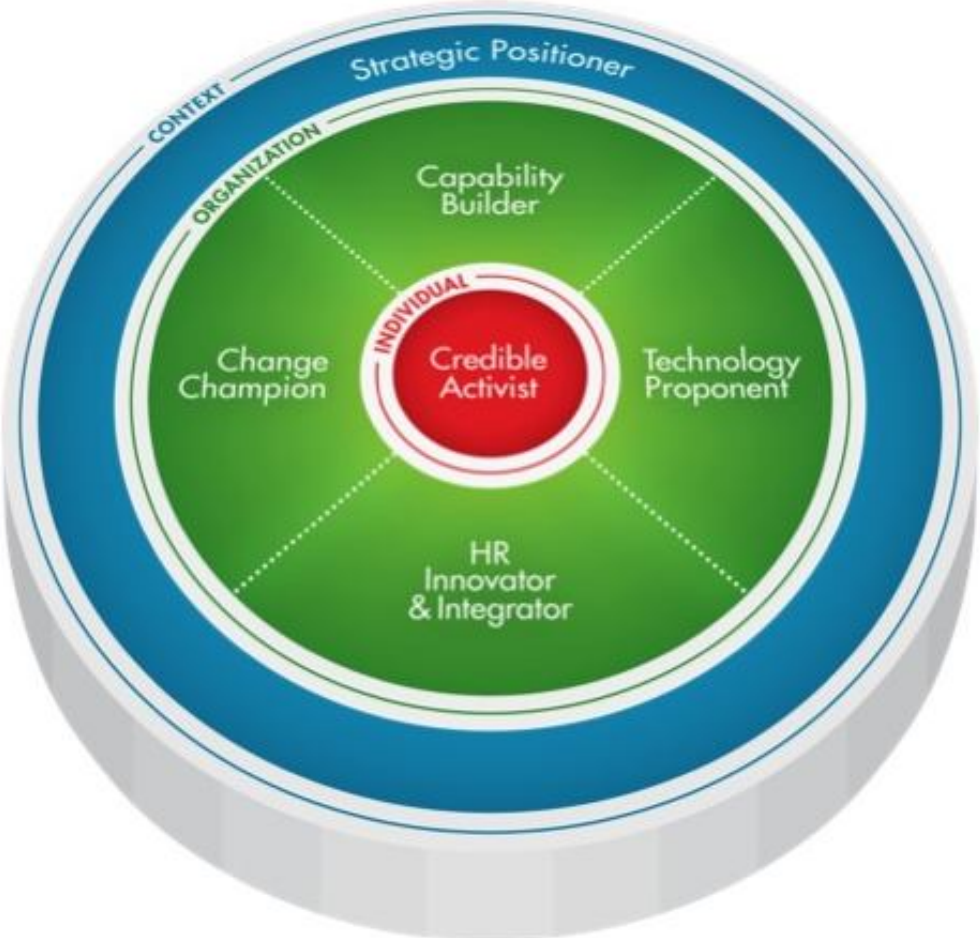


Figure 8.5. The 2012 HR Competency Model (The RBL Group, 2012).