

Understanding perceptions of Human Resource competencies and effectiveness in the
New Zealand and Australian hotel industry

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Attestation of Authorship

I hereby declare that this submission is my own work and that, to the best of my knowledge and belief, it contains no material previously published or written by another person (except where explicitly defined in the acknowledgements), nor material which to a substantial extent has been submitted for the award of any other degree or diploma of a university or other institution of higher learning.

Signed .

Date: 8 November 2016

Ethics Approval

This study attained ethical approval by the Auckland University of Technology Ethics Committee (AUTEC) on 28 July 2015, reference number 15/220.

Abstract

Traditionally, human resource management (HRM) was focused on personnel management through policies and practices (Ulrich, Brockbank, Johnson, Sandholtz, & Younger, 2008) and was seen as a highly administrative function. However, in today's competitive global business market, there has been increasing interest and importance placed on how HRM contributes to organisational performance and delivering business results (Boselie & Paauwe, 2005; & Ulrich et al., 2008). The hotel industry is becoming of increasing value to both the New Zealand and the Australian economy. Effectiveness of the Human Resource (HR) function is particularly important in the hospitality industry as service industries place much importance on employees as the main source of competitive advantage (Browning, Edgar, Gray, & Garrett, 2009). The hotel industry is characterised as highly labour-intensive, with high turnover, therefore effective HRM plays a vital role in this sector (Davidson, McPhail, & Barry, 2011; Lockyer, 2007; Lucas & Deery, 2004). For these reasons, the hospitality industry is theoretically and practically interesting and valuable in providing insight into the perceptions of HR competencies and effectiveness.

One way that HRM integrates people management and business strategy, connecting people with business, is through HR business partner and competency models (Losey, 1999; Ulrich, 1997; Ulrich & Brockbank, 2005; Ulrich, Brockbank, Yeung & Lake 1995). Over the past decade, these models have become increasingly prevalent and popular (Burgoyne, 1993; Yeung, Woolcock, & Sullivan, 1996). The critical dimensions of these models is the competencies required of HR professionals who work and run the function (Ulrich et al., 2008).

In this regard, six well-established HR competencies have been identified by Ulrich et al. (2008), which are: credible activist, operational executor, business ally, talent manager/organisation designer, culture and change steward and strategy architect.

The competency model proposes that these principal competencies are predictors of HR effectiveness. Exploratory Factor Analysis (EFA), correlations coefficient and multiple regression analysis were performed to test the research hypotheses.

An online questionnaire was used to conduct the research study. Data were collected from 103 participants that were hotel industry employees working in hotels across New Zealand and Australia. Participants held a range of job functions and worked across a variety of departments. The results of this study showed that the HR competencies that were the strongest predictors of HR effectiveness were a combination of Credible Activist and Talent Manager/Organisation Designer competencies as well Operational Executor and Talent Manager/Organisation Designer.

The study examines two critical lines of inquiry, being, how employees perceive the six HR competencies in the HR function and, secondly, how these perceptions impact on effectiveness. Therefore, the study contributes to the body of knowledge on HR competencies and HR effectiveness. The study also contributes to a gap in current literature about HR competencies and HR effectiveness in the New Zealand and Australian hotel industry context. Theoretically, the empirical findings of the study contribute to the ongoing discussion regarding the validity of HR competency and the business partner models. Practically, the findings indicate which competencies are perceived to be the best predictors of HR effectiveness that provides guidance for HR professionals in the hotel industry across New Zealand and Australia.

Chapter 1. Introduction

1.1 Background

HRM and the HR function have received an increasing amount of interest and attention over the past two decades. The role of HR has evolved over time, and attention is now focused on how HR adds value and directly contributes to business performance. For HR to do so, it is now commonly understood that HR must adopt a strategic approach and connect people with the business (Ulrich et al., 2008). One way in which HR acts as a strategic business partner is through the competencies of the professionals who work in, and carry out, the HR function (Ulrich et al., 2008). Investigating these competencies and how they are perceived forms the basis of this study.

A well-recognised study by Ulrich et al. (2008) established six HR competencies (credible activist, operational executor, business ally, talent manager/organisation designer, culture and change steward and strategy architect) that when performed lead to HR effectiveness. However, there has been very little examination of how the competencies, such as those developed by Ulrich et al. (2008), are perceived by other managers and employees, and how these impact on the perception of the effectiveness of the HR function (Nguyen, Teo, & Mylett, 2014). Research has primarily focused on the perceptions of HR professionals themselves.

Authors have noted that line managers perceive HR as providers of services, rather than as effective contributors to strategy and organisational performance (Ulrich, 1998). Thus, it is apparent that stakeholders do not share the perception of HR's competencies, strategic value and contribution to organisational performance (Wright, McMahan, Snell, & Gerhart, 2001). Therefore, incorporating a wider range of stakeholder perceptions presents an opportunity for better understanding.

Effectiveness of the HR function is of practical importance in the hotel industry, as service industries place significant importance on employees as the main source of competitive advantage (Browning et al., 2009). Literature regarding the hotel industry has acknowledged the importance of the HR function shifting away from traditional personnel management towards strategic HRM to add value to organisational performance (Davidson et al., 2011).

1.2 Problem statement and objectives

There is growing interest in understanding the effectiveness of HR competency models. HRM literature in the hotel context has focused on HRM effectiveness, rather than specifically on HR competencies. As well, no empirical research has been carried out regarding HR competencies and HR effectiveness in this particular industry and in these locations.

As such, the purpose of this study was to explore which HR competencies are perceived as being critical to the HR function in the New Zealand and Australian hotel industry and their links to HR effectiveness. Therefore, the overall research question was: “What HR competencies are perceived to impact on perceived HR effectiveness?”

1.3 Potential contribution

This study will add value to the existing literature on HR competencies and effectiveness. Research into HR competencies has been extensive in the past few decades, which shows that it is a topic of value to research and further insight is in demand. This research, believed to be the first of its kind, focuses on the hotel industry in New Zealand and Australia. As tourism is of increasing importance to both countries, this research will contribute to how HR departments can be more effective in hotels.

Empirically, the results of the research model will investigate the validity of the HR competency model of Ulrich et al. (2008), HR competency model and support perspectives on the evolution of the HR function over time.

1.4 Dissertation preview

This dissertation contains six chapters. This first chapter has introduced the background to this study, the objectives of the study and highlighted the potential contribution of the findings, both theoretically and practically.

The second chapter provides a literature review and introduces the research model. First, literature on HR competencies and effectiveness is discussed. Following, the research model is presented in line with the Ulrich et al. (2008) HR competency model. Lastly, the study hypotheses are presented.

The subsequent chapter presents the methodology used in this study. The research approach and philosophy are discussed, followed by an overview of the instrument, measures and data collection method. The statistical methods applied in the data analysis are also discussed.

Chapter four concentrates on presenting the results of the statistical analysis. This chapter includes descriptive statistics, construct reliability and validity. Following, the results of the EFA, correlation coefficient and multiple regression are presented and. Lastly, the results of the hypotheses tests are presented.

The fifth chapter provides a discussion of the results and research findings. The limitations of the research are discussed, and suggestions for future research are identified. Lastly, a concluding summary of the research study is presented.

Chapter 2. Literature Review

The following chapter presents a review of the existing literature on HR competencies and effectiveness. The first section will discuss the evolution of the HR function and introduce the concept of the HR competency model, followed by a discussion of the model and its impact. This is followed by an overview of HRM in the New Zealand and Australian hotel sectors. The resulting hypotheses derived from the literature will be presented at the end.

2.1 Human Resource Management evolution

Traditionally, the HR department was focused on personnel management through policies and practices (Ulrich et al., 2008). However, in today's competitive global business market, it has been identified that HR needs to take an active role in contributing to organisational performance and delivering business results (Ulrich et al., 2008).

Optimising human capital is undoubtedly one key way in which organisations can gain and sustain a competitive advantage. Although this is a challenge, it presents an opportunity for the HR function to exercise leadership over human capital decisions, therefore directly contributing to organisational performance and a sustained competitive advantage (Barney & Wright, 1998; Cohen, 2015; Gerpott, 2015; Long & Ismail, 2008; Ulrich et al., 2008). Now, more than ever, the HR function has been given an opportunity to take an active role in contributing to organisational performance and delivering business results (Lawler & Mohrman, 2003; Ulrich et al., 2008). Furthermore, research has shown that "20% of a business's success can be attributed to HR professionals" (Ulrich et al., 2008, p.225). This presents a clear argument for the need for HR to be effective.

This has seen a shift in the HR role, away from traditional personnel management, towards strategic HRM (Ahmad, Kausar, & Azhar, 2015; Barney & Wright, 1998; Bowen, Galang, & Rajnandini, 2002). However, the administration-based view has become somewhat of a legacy, with some doubting that that particular function will be able to be overcome (Ulrich et al., 2008).

The key aspect of the changing role is its involvement in strategy (Ulrich et al., 2008). Our current understanding of HR as a strategic business partner demonstrates that “high organisational performance is characterised by the effective performance of HR departments” (Nguyen et al., 2014, p.83). Although it has been clearly identified that HR needs to play a strategic role (Lawler & Mohrman, 2003), debate continues over whether or not HR is playing this role as a strategic business partner (Ulrich, 1997). During the process of development, the HR function has been subject to critics not understanding its value and wanting to send it back to its administrative beginnings (Lewis & Bellerby, 2013).

There are a number of developed perspectives on the evolution and development of the HR function. Ulrich, Younger, Brockbank, and Ulrich (2012) refer to the evolution in the past half century as a ‘four wave’ theory. Wave One emphasised the administrative and transactional work, with a focus on terms and conditions of work, delivery of HR services and regulatory compliance (Ulrich et al., 2012). At this stage of development, effectiveness was characterised as the consistent delivery in a cost-effective way (Ulrich et al., 2012).

Wave Two introduced a focus on the design of innovative HR practices (Ulrich et al., 2012) therefore, effectiveness was seen as delivering industry best practices. Wave Three focused on the connection of HR practices with business strategy (Ulrich et al., 2012). Wave Four is characterised by HR practices evolving to derive and respond to external business conditions (Ulrich et al., 2012).

More recently Maugans (2015) presented the evolution of the HR function in terms of a timeline. The initial era was in the late 1900s where the focus was on ensuring legal compliance (Maugans, 2015). The second era was characterised by development of knowledge around activities such as recruitment, training, compensation, and benefits (Maugans, 2015). In the 1980s, Maugans (2015) believed that the HR function was extended to include the role of a strategic business partner, being the third era (Maugans, 2015). Although each perspective varies, it is evidence of the current direction towards a strategic business partner as seen in the alignment between Maugans' (2015) third era and the Ulrich et al. (2012) fourth wave.

Both views show that there has undoubtedly been a reinvention and redevelopment of the HR function. This has given rise to the need to have aligned model available for HR practitioners. This is where HR competencies play a crucial role.

2.2 Competency model development

Competency models gained significant attention and became increasingly popular during the early 1990s, subsequently being implemented into a number of different workplaces (Ulrich et al., 2008). However, enthusiasm for competency models and competency-based logic can be traced back to World War Two where pilots were selected based on an aptitude test (Ulrich et al., 2008).

In line with the timeframe presented by Ulrich et al. (2008), competency models were believed to be introduced to the field of management specifically following Boyatzis' (1982) empirical research titled *The Competent Manager, a Model for Effective Performance*. Boyatzis' (1982) framework model presented a number of competencies that linked effective performance based on the statistical analysis performed across a range of management roles and organisations. Although met with some doubt, this study is particularly important as it introduced the idea of competency models for effective performance. This model paved the way for future research into competency models for effective performance.

2.3 Human resource competency model

Cited by Maugans, (2015) as the most influential model of HR competencies, the HR competency model was initially developed by Ulrich, Brockbank, and Yeung (1989). The rationale for such a study was to collect and analyse data on HR competencies, which would then develop a benchmark for analysing progress of HRM and HR professionals (Ulrich et al., 1989). Ulrich et al. (1989) wanted to know HR had made progress rather than relying on feeling and believing, thus developing an evidence-based view for change (Boudreau & Jesuthasan, 2011). Developing benchmark competencies would enable enhanced professional development for HR professionals, furthermore promoting credibility (Ulrich et al., 1989).

This is known as one of the founding studies of HR competencies. The theory behind the model is that adoption of certain competencies by HR professionals (Ulrich et al., 2008) would contribute to effectiveness of the function and therefore contribute to organisational performance. Ulrich's competency model was based on comprehensive surveys of HR practitioners and academics and repeated every five years since 1987 (Ulrich et al, 2008).

Developing a set of HR competencies would enable HR professionals into a new type of manager, the HR business partner (Ulrich, 1997).

The HR competency study has been replicated every five years since 1987 (Ulrich et al, 2008). Round five of the study collected 10,036 sets of data from 1,699 HR participants, 5,048 HR associates, and 3,346 non-HR associates (Ulrich et al, 2008).

The results of this study saw six key competencies emerge, being Credible activist, Operational executor, Business ally, Talent manager/organisation designer, Culture and change steward, and Strategy architect (Ulrich et al, 2008), presented in Figure one. This competency set is used across New Zealand and Australia (Australian HR Institute, n.d. & Human Resources Institute of New Zealand, n.d) The study suggested that all five domains of competencies have a positive impact on HR effectiveness (Ulrich et al., 2008). Furthermore, Ulrich et al, (2008) found that Credible Activist was the competency that had most positive impact on HR effectiveness.

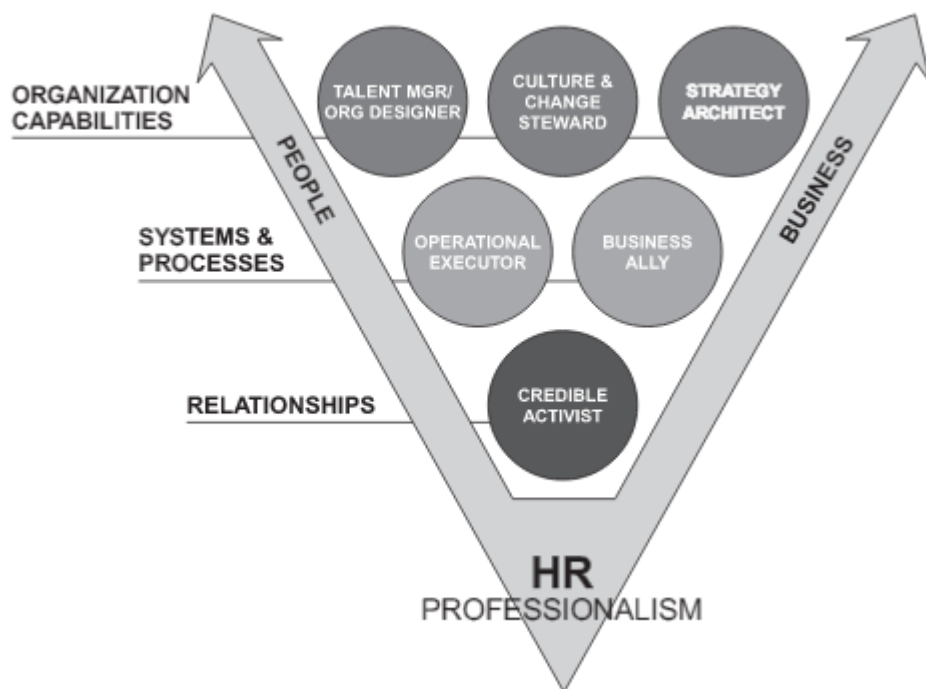


Figure 1. Round 5 Competency Model (from Ulrich et al., 2008, p. 37)

More recently, round six of the HR competency study held in 2012, collected 19,983 sets of data from 2,638 HR participants, 9,897 HR associates and 7,488 non-HR associates (Ulrich et al., 2013). This round of the study saw six competencies emerge being; strategic positioner, capability builder, technology proponent, human resource innovator and integrator, change champion and credible activist (Ulrich et al., 2013). In line with round five of the study, to be perceived as competent, the credible activist competency was again found to be most important in predicting HR effectiveness (Ulrich et al., 2013).

However, criticism of the model is that it is perceived to be effective in selecting business partners, but less effective in developing business partners (Caldwell, 2008). Furthermore, Caldwell (2008) notes that the model is less effective in linking HR strategy and business performance.

2.4 Defining competency

Boyatzis (1982, p. 21) defines competency as “an underlying characteristic of an employee which results in superior performance”. Similarly, Long and Ismail (2008) refer to a competency as a characteristic, which contributes to effective performance. Selmer and Chiu (2004) define competency as personal attributes, knowledge, skills and values that individuals draw upon to do their work well. Furthermore, Ulrich et al., (2008, p. 22) define competency as the “knowledge, skills and behaviours demonstrated by individuals in the course of getting their work done”.

Although the definitions are similar, Selmer and Chiu (2004) and Ulrich et al. (2008) make reference that a competency is knowledge or skills. Knowledge and skills, which can be taught, are developed, rather than a person’s inherent characteristics. This highlights the importance of having well-defined and established competencies as tools to enable people to know what they can do to perform better in their role (McClelland, 1973), ultimately improving business outcomes.

In relation to the HR field, the benefits of having defined competencies are that they provide a mechanism for reinventing the traditional HR roles and improving the effectiveness of HR professionals as business partners (Caldwell, 2008). Central to the business partner approach is the use of competencies, therefore, it is logical for the HR function to adopt this approach (Ulrich & Brockbank, 2005).

2.5 Perceptions

The importance of examining the perceptions of key stakeholders such as employees and line managers lies in the careful buy-in and implementation of HR policies, practices and processes (Boselie & Paauwe, 2005). However, Ulrich (1998) identified that line managers perceive HR as a provider of services rather than an effective contributor to strategy and organisational performance.

Thus, it is apparent that stakeholders do not share the perception of HR's competencies, strategic value and contribution to organisational performance (Ofori, Sekyere-Abankwa, & Borquaye, 2012). Additionally, being effective requires meeting expectations and objectives of stakeholders (Ulrich, 1997). However, there is very little examination of how the competencies of HR professionals are perceived by other managers and employees, and how these impact on the perception of the effectiveness of the HR function (Long & Ismail, 2008, p. 67)

This is supported by recent research showing the lack of integration and effectiveness of HR competencies by key stakeholders such as line managers (Nguyen et al., 2014). Research into the perceptions of HR competencies and effectiveness have found varying degrees of buy-in (Wright et al., 2001). Nguyen et al. (2014) and Wright et al. (2001) found that HR professionals continuously rated the HR function more effective than line managers did.

The difference in perceptions was significantly noticeable as HR professionals rated HR's strategic effectiveness significantly higher than line managers did (Wright et al., 2001). Nguyen et al. (2014) also highlighted differences in the degree of buy-in in regards to HR's effectiveness. Nguyen et al. (2014) found that line managers perceived HR to be effective as a service provider for line managers rather than as a strategic business partner.

Although HR managers and line managers have been researched as key stakeholders, what has been missing from the research literature is how employees at supervisory and line staff levels think about the effectiveness of the HR function and its contribution to the bottom line. Therefore, incorporating a wider range of stakeholder perceptions presents an opportunity for better understanding.

Thus, this research proposal will examine and integrate two disparate but critical lines of inquiry, first, how employees perceive the six HR competencies of professionals (Ulrich, Younger, Brockbank, & Ulrich, 2013) in the HR function and, secondly, how these perceptions impact on outcomes such as effectiveness.

2.6 Research hypotheses

During the past two decades, within empirical research in the HRM area, a dominant theme has been the relationship between HRM and performance. Moving forward it is expected that focus will be on the HR competency – performance link and how they link to long-term performance (Caldwell, 2008). This study is timely as research continues to focus on competencies. This study proposes that each of the six HR competencies developed during round five of the HR competency study will be positively related to HR effectiveness.

Credible Activist

The credible activist is an “HR professional that is both credible (respected, admired, listened to) and active (offers a point of view, takes a position, challenges assumptions)” (Ulrich et al., 2008, p34). This role needs both elements, as if a HR professional is not an activist, they will have little impact, and if they are not credible, their ideas are unlikely to be implemented (Ulrich et al., 2008, p34).

Hypothesis 1. There is a positive relationship between employees’ perception of the human resource function as a Credible Activist and perceived HR effectiveness.

Culture & Change Steward

A culture and change steward is involved in shaping organisational culture and bringing it to life through practices and processes (Ulrich et al., 2008). HR professionals are responsible for “coaching managers on how their actions reflect and drive culture” (Ulrich et al., 2008. p35).

Hypothesis 2. There is a positive relationship between employees’ perception of the human resource function as a Culture and Change steward and perceived HR effectiveness.

Talent Manager/Organisation Designer

Talent management focuses on development and succession of individuals while organisation designer focuses on how organisations can incorporate capability into the structure, processes and policies to support and sustain talent growth (Ulrich et al., 2008).

Hypothesis 3. There is a positive relationship between employees’ perception of the human resource function as a Talent Manager/Organisation Designer and perceived HR effectiveness.

Strategy Architect

A strategy architect “plays an active role in the establishment of the overall strategy to deliver” (Ulrich et al., 2008, p35). A key aspect of this role is forecasting potential obstacles to success (Ulrich et al., 2008).

Hypothesis 4. There is a positive relationship between employees’ perception of the human resource function as a Strategy Architect and perceived HR effectiveness.

Operational Executor

A HR professional is an operational executor who ensures that the operational aspects of managing people and administration are not time-consuming and he or she is therefore efficient through the use of technology, for example (Ulrich et al., 2008).

Hypothesis 5. There is a positive relationship between employees' perception of the human resource function as an Operational Executor and perceived HR effectiveness.

Business Ally

Business ally refers to HR professionals knowing how their business makes money and how they can work collaboratively with other departments to support the business in making money (Ulrich et al., 2008).

Hypothesis 6. There is a positive relationship between employees' perception of the human resource function as a Business Ally and perceived HR effectiveness.

From theoretical studies such as those by Nguyen et al. (2014) and Ulrich et al. (2008) that all six competencies appear to be important. The Australian HR Institute (n.d) and Human Resources Institute of New Zealand (n.d) utilise those competencies and are therefore perceived as important.

Hypothesis 7. All six HR competencies will equally contribute to perceived HR effectiveness.

2.7 Research model

The below research model presents the hypothesised relationships between the study constructs.

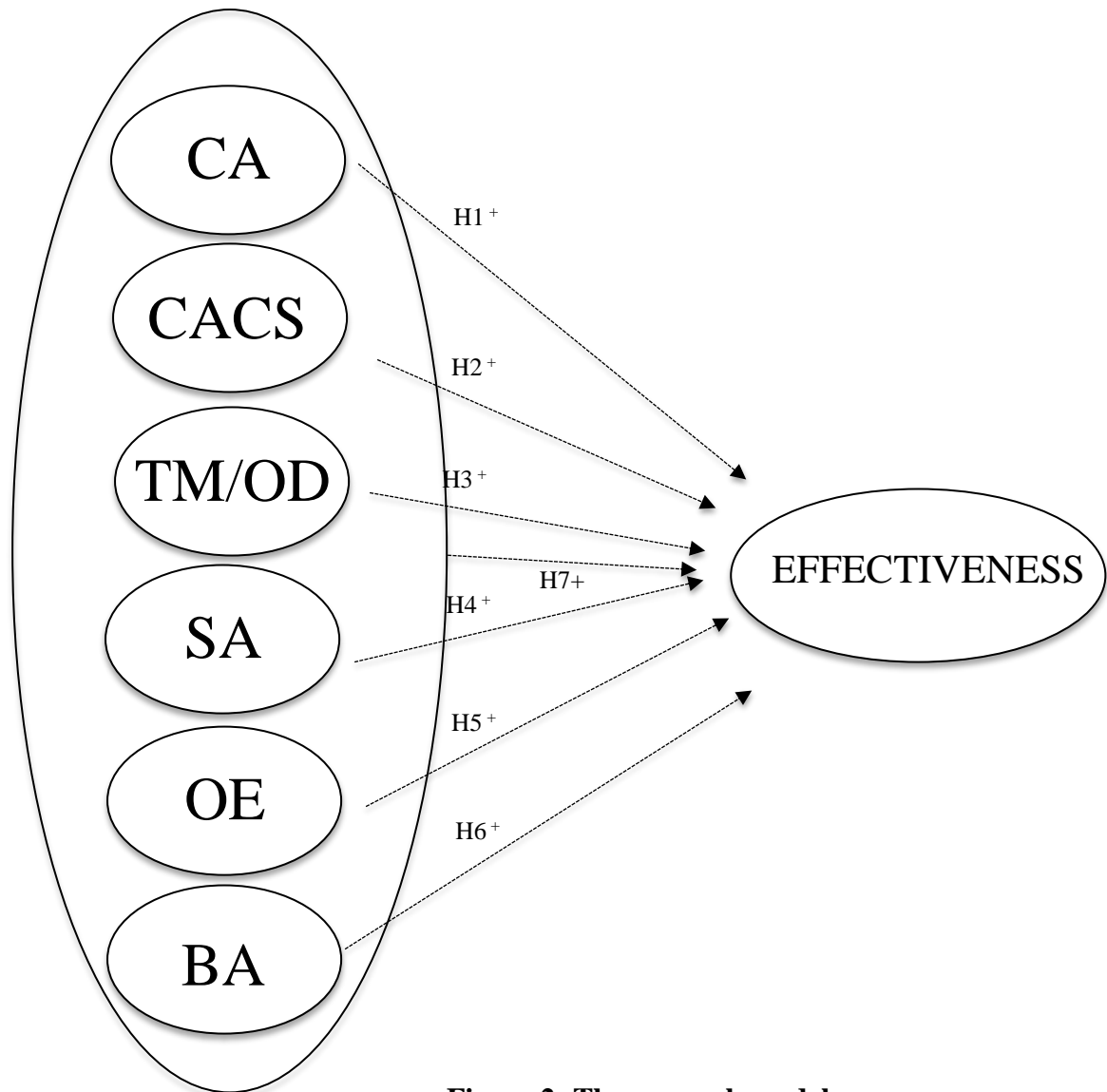


Figure 2: The research model

Note: CA= Credible Activist; CACS= Culture & Change Steward; TM/OD= Talent Manager/Organization Designer; SA= Strategy Architect; OE= Operational Executor; BA= Business Ally

Chapter 3: Methodology

The following chapter describes the research methodology that was used in this study. Firstly, an overview of the research approach and philosophy is discussed, followed by an overview of the instrument used and how it was designed. Secondly, the measures used in the study are presented, followed by a summary of the data collection method. Lastly, an overview of the statistical methods applied in the data analysis is provided.

3.1 Research methodology

This study adopts a positivist paradigm to guide the research and is grounded in the ontological assumption of realism with an objectivist epistemological position. The basis for these decisions is explained in the subsequent paragraphs.

3.1.1 Ontology

Research is a systematic process that begins with the researcher adopting an ontological assumption. An ontological assumption is the researcher's most basic beliefs about the nature of reality (Grant & Giddings, 2002). An ontology is important because it guides the focus of the research.

Realism and relativism are two opposing ontological assumptions about the nature of reality and what we can know. Realism assumes that reality exists with a single truth that is driven by natural laws (Guba, 1990). Relativism follows the belief that reality is influenced by experiences and social interactions (Guba & Lincoln, 2005). Relativism is the opposing view to realism as it is the belief that there is more than one reality, rather than being derived from natural law, which exists in the minds of people (Guba, 1990).

Realism is adopted for this study as the research question reflects the assumption that reality exists with a single truth and that perceptions of HR competencies can explain HR effectiveness. This understanding gives the opportunity to highlight areas for improvement in HR practices.

3.1.2 Epistemology

Moving through the research process, an identified ontology forms the basis for developing an epistemology. An epistemology “defines the nature of the relationship between enquirer and what can be known, what counts as knowledge, and on what basis we can make knowledge claims” (Grant & Giddings, 2002, p.12).

Contrasting epistemological positions on how we can know reality are objective and subjective. An objective position states that research is conducted to test theories which therefore provide material for laws to be developed (Bryman & Bell, 2011, p.15). More concisely, objective research aims to explain human behaviour (Bryman & Bell, 2011) and the researcher is an objective observer in the research process (Grant & Giddings, 2002).

The contrasting position being a subjective position states that knowledge is made sense of by individuals, rather than a governing law (Neuman, 2006). More concisely, subjective research aims to understand human behaviour (Bryman & Bell, 2011) and the researcher interacts with the participants during the research process to understand their experiences and the meaning they attribute to such experiences (Grant & Giddings, 2002).

An epistemology is important because it forms the basis of how the research will be conducted, thus outlining what methodologies and methods are suitable for collecting the data needed to ultimately answer the research question.

Having been identified ontologically that reality consists of facts and evidence, how can we know this reality needs to be conducted objectively and, furthermore, with no interaction between the researcher and participants (Guba, 1990). An objectivist epistemology is adopted for this study as this position believes that there is an objective reality out there (Grey, 2014), and the study aims to explain human behaviour and a causal relationship, rather than understand it.

3.1.3 Paradigm

Paradigms are the basic belief system or worldview that guides the researcher in fundamental choices of ontology, epistemology, and methods (Guba & Lincoln, 1994). Guba and Lincoln (2005) identify two key research paradigms, being positivism and interpretivism. It is important to note at this stage that ontological assumptions and epistemological positions form the basis for alignment with a research paradigm.

Positivism

A key feature of the positivist paradigm is that it applies natural science methods to the study of social reality (Bryman & Bell, 2011). The focus is on the belief that knowledge is out there to be discovered and the purpose is to generate and test hypotheses (Bryman & Bell, 2011). Ultimately, the goal is to develop and statistically test cause by way of an independent variables, and effect by way of the dependent variables about a phenomenon (Grant & Giddings, 2002).

Research in this paradigm will, therefore, collect facts, test hypotheses through experimentation, and use verification to ensure findings of facts (Grant & Giddings, 2002). Such findings of facts can then be used to explain causality to then predict or control events and guide decision-making and practice.

In line with the objectivist epistemological position, the positivist paradigm focuses on explaining human nature through science, conducted in a way that is value-free (Bryman & Bell, 2011). To be value-free, positivist researchers need to maintain an objective stance so ensure the data collected is not unintentionally biased (Grant & Giddings, 2002). The chance of this can be eliminated by selecting the right methodology and methods which will be explained in the subsequent sections.

Interpretivism

Bryman and Bell (2011) refer to interpretivism as the opposing paradigm to positivism. In line with the subjective epistemological position, the interpretivist paradigm focuses on understanding human nature (Bryman & Bell, 2011). Research in this paradigm emphasises the need to understand human action rather than the cause and the subsequent effect of such human action (Bryman & Bell, 2011).

Denzin and Lincoln (2000, p.986) note that interpretivism aids in “understanding the complex world from the point of view of those who live it”. Such research could therefore not be conducted objectively and would need interaction between the researcher and participants.

As discussed, realism assumes that reality exists with a single truth that is driven by natural laws (Guba, 1990), and objective research aims to explain human behaviour (Bryman & Bell, 2011). Therefore, the research paradigm must align to these assumptions and positions.

This research focuses on establishing the perceptions of hotel employees in the New Zealand and Australian hotel industry as to which HR competencies explain HR effectiveness.

To do so, this research will require finding facts that will be used to test hypotheses, reaffirming the realist ontological assumption. To do so, the research in this study needs to be conducted objectively, reaffirming the epistemology position. The positivist approach, therefore, is best aligned with the focus of the research.

3.1.4 Methods and methodology

All research embraces an underlying philosophical perspective (Broido & Manning, 2002) as identified in the previous paragraphs. There is an interrelationship that exists between the philosophical perspective adopted by the researcher, the methodology and methods used. This interrelationship between each element in the research framework is underpinned by the epistemological position of the research. It is noted that it is through the methodology and methods that epistemology becomes visible (Carter & Little, 2007).

There are certain methodologies that share the same assumptions about what counts as truth (Grant & Giddings, 2002). This is therefore the basis of selecting an appropriate methodology.

Survey research is a methodology that is embedded within the positivist research paradigm and also in line with the objectivist epistemological position (Crotty, 1998). By definition survey research “comprises a cross-sectional design in which data is collected from participants in order to produce a body of data regarding two or more variables” (Bryman & Bell, 2011, p.54).

When data is collected this way it allows the variables to be examined for associations (Bryman & Bell, 2011). This methodology is therefore in line with the focus of the study.

Opposing research methods are quantitative and qualitative, a main and simple difference being that quantitative research strategies of methods employ measurement and qualitative ones do not. On the basis of the study aim, a quantitative method will be used.

In line with this, survey research is placed firmly in the context of quantitative research (Bryman & Bell, 2011), therefore, it is suitable for this study. The survey research methodology will be combined with a deductive approach to test the study's hypotheses.

3.2 Instrument development

As mentioned, this study adopts a quantitative method and an online questionnaire is used as the research instrument for collection of primary data. The instrument that was used included the scales developed by Ulrich (1997), and validated by Nguyen et al. (2014). The Ulrich (1997) human resource competency study developed four scales made up of 57 role function statements. These scales were labelled as the following four HR competencies; Administrative Expert, Employee champion, Strategic Partner/Change Agent, Talent and Resource Manager.

3.2.1 Pilot study

A pilot study was used to validate the 57 role function statements developed by Ulrich (1997) and validated by Nguyen et al. (2014) in the New Zealand and Australian context. The pilot study participants consisted of six HR professionals who worked for multinational hotel companies and included one area director of HR who were all familiar with the Ulrich et al. (2008) model.

An invitation e-mail containing the participant information sheet and the link to the online questionnaire via Qualtrics.com was sent to the six potential participants. The participant information sheet included a brief research introduction, the time needed to complete the questionnaire, ethical principles that would ensure voluntary, anonymous and confidential participation, and contact details for the study supervisor and AUT ethics in the case of any need for further inquiry. Feedback from the pilot survey was provided to the researcher by email.

The pilot study consisted of the following two steps:

Validation

Firstly, the 57 role function statements were validated by the participants for relevance. Following this process, 12 statements were removed, the remaining 45 used for sorting into the Ulrich et al. (2008) six HR competencies. Next, demographic questions that had been added by the researcher were validated. Lastly, the effectiveness measured was validated by an expert panel to ensure face validity. The HR involvement and HR effectiveness sections of the original questionnaire were combined. HR access was added into the effectiveness section to create five items (refer to Table Two).

Item sort

Secondly, an expert sort technique was used to sort the statements into six HR competences developed by Ulrich et al. (2008) during round five of the HR competency study being: credible activist, operational executor, business ally, talent manager /organisation designer, culture and change steward, and strategic architect.

The function statements were sorted into these HR competencies, as this is the model currently being followed by the New Zealand and Australian HR societies. Table One lists the detailed measurements used to operationalise each construct.

Table 1: Constructs measurement

| Constructs | Reference |
|---|--|
| Credible activist | Nguyen et al. (2014) and Ulrich (1997) |
| 1. The Human Resource department spends time on listening and responding to employees | |
| 2. The Human Resource department's credibility comes from maintaining employee morale | |
| 3. The Human Resource department works to facilitate support to help employees meet family and personal needs | |
| 4. The Human Resource department is measured by its ability to help employees meet personal needs | |
| 5. The Human Resource department is seen as a champion for employees | |
| 6. The Human Resource department participates in building employee morale | |
| 7. The Human Resource department makes sure that HR processes and programs meet needs of employees | |
| 8. The Human Resource department helps the organisation generate employee commitment | |
| 9. The Human Resource department helps employees find purpose and meaning in their work | |
| Operational executor | Nguyen et al. (2014) and Ulrich (1997) |
| 1. The Human Resource department is seen as an administrative expert | |
| 2. The Human Resource department is effective in processing documents and transactions | |
| 3. The Human Resource department spends time on operational issues | |
| 4. The Human Resource department is measured by its ability to efficiently deliver HR processes | |
| 5. The Human Resource department is an active participant in designing/ delivering HR processes | |
| 6. The Human Resource department helps the organisation improve operating efficiency | |
| 7. The Human Resource department manages labour policies and procedures | |

Business ally

Nguyen et al.
(2014) and
Ulrich (1997)

1. The Human Resource department is seen as a business partner
2. The Human Resource department's credibility comes from increasing productivity
3. The Human Resource department is measured by its ability to help make business strategies
4. The Human Resource department is measured by its ability to help the organisation anticipate and adapt to future issues
5. The Human Resource department works to anticipate future people needs
6. The Human Resource department makes sure that HR processes and programs increase the organisation's ability to change
7. The Human Resource department spends time on supporting new behaviours for keeping the organisation competitive

Talent manager/organisation designer

Nguyen et al.
(2014) and
Ulrich (1997)

1. The Human Resource department provides accurate and candid feedback
2. The Human Resource department uses challenging and valuable work to motivate and retain key talent
3. The Human Resource department works to attract, promote and retain appropriate people
4. The Human Resource department manages poor performance effectively
5. The Human Resource department works to manage diversity
6. The Human Resource department facilitates establishment of clear performance standards
7. The Human Resource department works to offer training programs
8. The Human Resource department develops people management skills in leaders and managers
9. The Human Resource department sets expectations for leadership behaviours

Culture and change steward

Nguyen et al.
(2014) and
Ulrich (1997)

1. The Human Resource department is seen as a change agent
2. The Human Resource department's credibility comes from making change happen
3. The Human Resource department helps the organisation adapt to changes
4. The Human Resource department participates in driving culture change
5. The Human Resource department helps employees understand why change is important
6. The Human Resource department helps the organisation create the need for change

Strategy architect

Nguyen et al.
(2014) and
Ulrich (1997)

1. The Human Resource department works to align HR strategies and business strategy
2. The Human Resource department spends time on strategic issues
3. The Human Resource department is an active participant in business planning
4. The Human Resource department helps the organisation accomplish business goals
5. The Human Resource department's credibility comes from helping to make business strategy happen
6. The Human Resource department participates in the process of defining business strategies
7. The Human Resource department makes sure that HR strategies are aligned with business strategy

The effectiveness measurement was also assessed using a five-point Likert Scale ranging from one (strongly disagree) to five (strongly agree). The score was composited of the five effectiveness constructs outlined in Table 2. The overall effectiveness score was averaged across the 5 questions.

Table 2: Effectiveness measurement

| Constructs |
|-------------------|
| Timeliness |
| Clarity |
| Accuracy |
| Manner |
| Access |

3.3 Data collection

Data was collected from people in New Zealand and Australia working in the hotel industry. A snowball sampling strategy was adopted for data collection. The data collection was originally intended to come from one international hotel chain. However, studies such as Stover-Wright (2013) identify that quantitative research that relies on surveying a pre-identified population often encounters barriers related to access to individuals and low response rates.

It was important to capture as many responses as possible for this study, therefore the sample approach of snowball sampling was adopted. Snowball sampling identifies a set of individuals who represent the population to be surveyed and uses their referrals to collect data through their social networks (Bryman & Bell, 2011; Stover-Wright, 2013). Snowball sampling takes advantage of the personal network of the identified respondents to attain more potential respondents in the targeted population (Atkinson & Flint, 2001).

A small sample of HR directors from different hotel companies was approached and asked to pass on the questionnaire to their networks in the hotel industry across New Zealand and Australia. An invitation was sent via email from the HR directors to employees with company email addresses (Appendix A) containing the participant sheet (Appendix B) and the link via Qualtrics.com for the survey (Appendix C).

3.4 Data analysis

Data analysis was performed using SPSS (Statistical Packages for Social Science) version 22. The construct and effectiveness measures were coded from one to five.

In order to answer the research questions, multiple regression was used to test the model of the HR competencies-effectiveness link. This regression was used to statistically identify the impact of the six HR competencies on perceptions of HR effectiveness. The use of multiple regression enabled the research to test and identify the extent to which each competency is related to HR effectiveness. Descriptive statistics and EFA were also run to test the hypotheses.

Chapter 4. Results

This chapter outlines the results of the statistical analysis performed on the data collected through the online questionnaire. First, the descriptive statistics of the respondents' demographic profiles are presented in terms of frequency and percentage. The following section provides an overview of the study construct descriptions, including mean, standard deviation, skew and kurtosis. The EFA is then presented and the construct reliability and validity discussed. Lastly, the results of the multiple regression and hypothesis tests are discussed.

4.1 Respondents' profiles

One hundred and twenty-six respondents accessed the online questionnaire. Twenty-three surveys were incomplete at the end of the data collection period and were excluded from the final dataset, 103 responses retained for data analysis. Table 3 provides the demographic profile of the respondents.

Location

There were 15 respondents located in Australia and 88 respondents located in New Zealand.

Primary department

With regards to the primary department of the respondents, the highest was Front Office being 22.3 % ($N = 23$), closely followed by Administration and General Management with 21.4% ($N = 22$), and then Food and Beverage with 20.4% ($N = 21$). The smallest was Spa and Recreation with 1% ($N = 1$).

Job function

With regards to job function 36.3% ($N = 37$) were department head level, followed by front line colleague – full time at 20.6% ($N = 21$).

Age

The age of the respondents was assessed through age groups. The largest group was 18-25 with 39.8% ($N = 41$), closely followed by 26-34 ($N = 38$).

Hotel star rating

With regard to the star level of the hotel, the largest was 4 star + with 44.7% ($N = 46$), followed by 5 star with 34.0% ($N = 35$).

Table 3: Respondent profile

| | Frequency (N) | Percentage (%) |
|---|---------------|----------------|
| Location (N=103) | | |
| New Zealand | 15 | 14.6 |
| Australia | 88 | 85.6 |
| Department (N=103) | | |
| Food and Beverage | 21 | 20.4 |
| Administration and General Management | 22 | 21.4 |
| Front Office | 23 | 22.3 |
| Housekeeping and Facilities | 3 | 2.9 |
| Business Support | 13 | 12.6 |
| Sales, Marketing and Revenue Management | 20 | 19.4 |
| Spa and Recreation | 1 | 1.0 |
| Job Function (N=103) | | |
| General Manager or Director | 10 | 9.8 |
| Department Head | 37 | 36.3 |
| Assistant Head of Department | 11 | 10.8 |
| Supervisor | 12 | 11.8 |
| Team Leader | 9 | 8.8 |
| Front Line colleague - Full time | 21 | 20.6 |
| Front Line colleague - Part time | 2 | 2.0 |
| Age (N=103) | | |
| 18-25 | 41 | 39.8 |
| 26-34 | 38 | 36.9 |
| 35-54 | 23 | 22.3 |
| 55-64 | 1 | 1.0 |
| Hotel star rating (N=103) | | |
| 5 Star + | 12 | 11.7 |
| 5 Star | 35 | 34.0 |
| 4 Star + | 46 | 44.7 |
| 4 Star | 8 | 7.8 |
| 3 Star + | 2 | 1.9 |

4.2 Descriptive statistics for study constructs

Descriptive statistical analysis was then performed on the study construct measurements and effectiveness measurements. Items included in the analysis were; number of responses, minimum and maximum values, means and standard deviation, standard errors as well as skew and kurtosis. Table Four provides the descriptive statistics for the study constructs.

The highest mean in the construct measurements was “Q16 the Human Resource department manages labour policies and procedures” ($M = 4.25$). The lowest mean was “Q19 the Human Resource department’s credibility comes from increasing productivity” ($M = 1.13$) (see Table 4).

The highest mean in the effectiveness measurements was Q46_5 “access” ($M = 3.7$). The lowest mean was Q46_2 ‘clarity’ ($M = 3.39$) (see Table 4).

The descriptive statistics analysis was then used to enable the normality of the multivariate data to be assessed. This study comprised multivariate data due to there being a number of variables. The two components of normality are skewness and kurtosis (Tabachnick & Fidell, 2013).

Skewness

Skewness refers to the degree of asymmetry in the distribution of the data (Čisar & Čisar, 2010; Pallant, 2001; Tabachnick & Fidell, 2013). A skewed variable is a variable with a mean that is not in the centre of the distribution (Pallant, 2001; Tabachnick & Fidell, 2013).

For the data to be symmetrical, the skewness will be close to 0. According to Kline (2010), a skewness value larger than 3.0 is described as ‘extremely’ skewed.

Positive skewness indicates that there is clustering of scores to the left of the distribution being low values (Pallant, 2001). Negative skewness indicates that there is clustering of scores to the right of the distribution, being high scores (Pallant, 2001).

All of the study construct measurements and effectiveness measurements had a negative skew value apart from “Q5 The human resource department is seen as a champion for employees” which had a positive skew value of .01 indicating a build-up of low scores for this question (see Table 4).

All 50 measures were tested and the skewness values ranged from -1.4 to .01 indicating that the data can be considered relatively normal in regard to skewness as the values are all close to 0 and are below the rule of thumb.

Kurtosis

Kurtosis refers to how widely spread the data is (Čisar & Čisar, 2010). Furthermore, kurtosis is to do with the peakedness of a distribution, being either peaked with short tails or flat with long tails (Pallant, 2001; Tabachnick & Fidell, 2013).

Positive kurtosis indicates that the distribution is clustered in the middle, therefore peaked where as a negative kurtosis indicates that the distribution is flat with values at each end (Pallant, 2001). A normal distribution has a kurtosis value of 0 (Čisar & Čisar, 2010). According to Kline (2010), a kurtosis value larger than 8.0 is considered as ‘extreme’ kurtosis.

Of all 50 measures, the Kurtosis values varied throughout the study construct measurements and effectiveness measurements. The highest positive value being for “Q11 the Human Resource department is effective in processing documents and transactions” with a value of 3.60, indicates a relatively peaked distribution (see Table 4). The lowest negative value was “Q4 The Human Resource department is measured by its ability to help employees meet personal needs”, with a value of -.74 indicating a relatively flat distribution (see Table 4).

The kurtosis values ranged from -.74 to 3.60, indicating that the data can be considered as relatively normal. All values are below the rule of thumb and all approximated a normal distribution (see Table 4).

Table 4: Descriptive statistics for study constructs

| Constructs | N | Minimum | Maximum | Mean | SD | Skewness | | Kurtosis | |
|------------|-----|---------|---------|------|------|-----------|------------|-----------|------------|
| | | | | | | Statistic | Std. Error | Statistic | Std. Error |
| Q1 | 103 | 2 | 5 | 3.96 | 0.78 | -0.82 | 0.24 | 0.85 | 0.47 |
| Q2 | 103 | 1 | 5 | 3.60 | 0.84 | -0.63 | 0.24 | 0.21 | 0.47 |
| Q3 | 103 | 1 | 5 | 3.58 | 0.82 | -0.81 | 0.24 | 0.37 | 0.47 |
| Q4 | 103 | 1 | 5 | 3.18 | 1.01 | -0.21 | 0.24 | -0.74 | 0.47 |
| Q5 | 103 | 1 | 5 | 3.50 | 0.96 | 0.01 | 0.24 | -0.62 | 0.47 |
| Q6 | 103 | 1 | 5 | 3.95 | 0.87 | -1.01 | 0.24 | 1.15 | 0.47 |
| Q7 | 103 | 1 | 5 | 4.01 | 0.82 | -1.20 | 0.24 | 2.08 | 0.47 |
| Q8 | 103 | 1 | 5 | 3.87 | 0.87 | -1.02 | 0.24 | 1.06 | 0.47 |
| Q9 | 103 | 1 | 5 | 3.48 | 0.94 | -0.58 | 0.24 | -0.27 | 0.47 |
| Q10 | 103 | 1 | 5 | 3.54 | 0.87 | -0.68 | 0.24 | -0.08 | 0.47 |
| Q11 | 103 | 1 | 5 | 3.83 | 0.75 | -1.43 | 0.24 | 3.60 | 0.47 |
| Q12 | 103 | 1 | 5 | 3.39 | 0.93 | -0.63 | 0.24 | -0.53 | 0.47 |
| Q13 | 103 | 2 | 5 | 4.08 | 0.64 | -0.30 | 0.24 | 0.38 | 0.47 |
| Q14 | 103 | 2 | 5 | 4.09 | 0.69 | -0.67 | 0.24 | 1.12 | 0.47 |
| Q15 | 103 | 1 | 5 | 3.67 | 0.84 | -0.90 | 0.24 | 0.58 | 0.47 |
| Q16 | 103 | 2 | 5 | 4.25 | 0.68 | -0.93 | 0.24 | 1.78 | 0.47 |
| Q17 | 103 | 1 | 5 | 3.56 | 1.00 | -0.72 | 0.24 | 0.16 | 0.47 |
| Q18 | 103 | 1 | 5 | 3.13 | 0.95 | -0.19 | 0.24 | -0.50 | 0.47 |
| Q19 | 103 | 1 | 5 | 3.36 | 0.93 | -0.41 | 0.24 | -0.48 | 0.47 |
| Q20 | 103 | 2 | 5 | 3.77 | 0.81 | -0.81 | 0.24 | 0.41 | 0.47 |
| Q21 | 103 | 1 | 5 | 3.88 | 0.89 | -1.13 | 0.24 | 1.54 | 0.47 |
| Q22 | 103 | 2 | 5 | 3.88 | 0.74 | -0.82 | 0.24 | 1.01 | 0.47 |
| Q23 | 103 | 2 | 5 | 3.80 | 0.83 | -0.74 | 0.24 | 0.25 | 0.47 |

| | | | | | | | | | |
|-------|-----|---|---|------|------|-------|------|-------|------|
| Q24 | 103 | 1 | 5 | 3.81 | 0.95 | -1.22 | 0.24 | 1.63 | 0.47 |
| Q25 | 103 | 1 | 5 | 3.65 | 1.02 | -0.71 | 0.24 | 0.26 | 0.47 |
| Q26 | 103 | 1 | 5 | 3.87 | 1.04 | -1.15 | 0.24 | 1.14 | 0.47 |
| Q27 | 103 | 1 | 5 | 3.75 | 0.96 | -0.84 | 0.24 | 0.32 | 0.47 |
| Q28 | 103 | 2 | 5 | 3.95 | 0.71 | -0.63 | 0.24 | 0.85 | 0.47 |
| Q29 | 103 | 2 | 5 | 3.91 | 0.70 | -0.73 | 0.24 | 1.17 | 0.47 |
| Q30 | 103 | 1 | 5 | 4.09 | 0.84 | -1.28 | 0.24 | 2.14 | 0.47 |
| Q31 | 103 | 1 | 5 | 3.93 | 0.82 | -1.29 | 0.24 | 2.71 | 0.47 |
| Q32 | 103 | 1 | 5 | 3.86 | 0.86 | -0.94 | 0.24 | 0.96 | 0.47 |
| Q33 | 103 | 2 | 5 | 3.39 | 0.80 | -0.22 | 0.24 | -0.58 | 0.47 |
| Q34 | 103 | 1 | 5 | 3.49 | 0.86 | -0.66 | 0.24 | 0.25 | 0.47 |
| Q35 | 103 | 2 | 5 | 3.83 | 0.77 | -0.99 | 0.24 | 1.03 | 0.47 |
| Q36 | 103 | 1 | 5 | 3.84 | 0.79 | -1.06 | 0.24 | 1.75 | 0.47 |
| Q37 | 103 | 2 | 5 | 3.75 | 0.79 | -0.37 | 0.24 | -0.11 | 0.47 |
| Q38 | 103 | 1 | 5 | 3.52 | 0.86 | -0.87 | 0.24 | 0.85 | 0.47 |
| Q39 | 103 | 2 | 5 | 3.91 | 0.68 | -0.42 | 0.24 | 0.58 | 0.47 |
| Q40 | 103 | 1 | 5 | 3.58 | 0.88 | -0.52 | 0.24 | -0.13 | 0.47 |
| Q41 | 103 | 1 | 5 | 3.62 | 0.86 | -0.47 | 0.24 | 0.08 | 0.47 |
| Q42 | 103 | 1 | 5 | 3.78 | 0.79 | -0.90 | 0.24 | 1.33 | 0.47 |
| Q43 | 103 | 1 | 5 | 3.59 | 0.85 | -0.60 | 0.24 | 0.65 | 0.47 |
| Q44 | 103 | 1 | 5 | 3.42 | 0.89 | -0.43 | 0.24 | 0.28 | 0.47 |
| Q45 | 103 | 2 | 5 | 3.93 | 0.62 | -0.43 | 0.24 | 1.00 | 0.47 |
| Q46_1 | 103 | 1 | 5 | 3.47 | 0.95 | -0.28 | 0.24 | -0.32 | 0.47 |
| Q46_2 | 103 | 1 | 5 | 3.39 | 0.97 | -0.33 | 0.24 | -0.04 | 0.47 |
| Q46_3 | 103 | 1 | 5 | 3.49 | 0.96 | -0.51 | 0.24 | 0.24 | 0.47 |
| Q46_4 | 103 | 1 | 5 | 3.59 | 1.09 | -0.56 | 0.24 | -0.22 | 0.47 |
| Q46_5 | 103 | 1 | 5 | 3.71 | 1.17 | -0.60 | 0.24 | -0.40 | 0.47 |

4.3 Exploratory Factor Analysis

Following the assessment of normality of the data, a factor analysis was performed. Factor analysis ultimately aims to identify relationships between variables. There are two main approaches for performing factor analysis being, Exploratory and Confirmatory (Tabachnick & Fidell, 2013).

This study contains one dependent variable (effectiveness) and six independent variables (HR competencies) and demographic details as control variables. Therefore, this type of analysis is suitable. Confirmatory factor analysis aims to assess the degree to which the data satisfies a particular model which has been extracted from theory (Tabachnick & Fidell, 2013). EFA is a reduction method which aims to increase construct reliability by exploring the number of factors that best fit the construct, and grouping them accordingly (Rossoni, Engelbert & Bellegard, 2016). More concisely, EFA explores the inter-relationships among a set of variables (Pallant, 2001).

Principal components

Principal components analysis is a technique used in EFA that reduces and arranges the original variables into linear combinations (Pallant, 2001). Furthermore, the principal component uses the correlations among the variables to develop a small set of components that empirically summarise the correlations among the variables (Tabachnick & Fidell, 2013).

To meet the objectives of this study, an EFA was performed, using the principal components technique. This analysis would identify and determine how many variables there are in the data set and which variables are associated with which HR competency study constructs.

Component analysis

The initial component analysis of all construct measurements produced 11 clusters. The analysis showed that some of the factor loadings were less than .4 and a number of items were cross loading. This indicated that not all items were associated with the original six constructs. All items that were cross loading were excluded and the EFA was performed again.

As a result, 25 variables were excluded. The remaining 20 variables were grouped into six clusters (competencies) all of which had commonality values of above .4 (see Table 5). Of the six competencies, four competencies produced were made up entirely of items associated with the original competency being: However, strategy architect, business ally, credible activist and culture and change steward. Two competencies that were produced from the EFA analysis comprised a combination of items derived from two different competencies being; credible activist with talent manager/organisation designer as well as operational executor with talent manager/organisation designer.

For the purposes of this study, we utilised EFA as we needed to test the survey tool in the study context, as it has previously been used by Nguyen et al. (2014) in Vietnam. Furthermore, utilised EFA to examine the correlations among the variables to identify which factors (question) best fit which construct (HR competency).

Table 5: Rotated Component Matrix

| | | SA | CA + TM/ OD | Component OE + TM/ OD | BA | CA | CACS |
|-----|---|------|-------------------|--------------------------------|----|----|------|
| Q41 | The Human Resource department is an active participant in business planning | .863 | | | | | |
| Q43 | The Human Resource department's credibility comes from helping to make business strategy happen | .827 | | | | | |
| Q40 | The Human Resource department spends time on strategic issues | .800 | | | | | |
| Q42 | The Human Resource department helps the organisation accomplish business goals | .771 | | | | | |
| Q45 | The Human Resource department makes sure that HR strategies are aligned with business strategy | .727 | | | | | |
| Q6 | The Human Resource department participates in building employee morale | | .808 | | | | |
| Q8 | The Human Resource department helps the organisation generate employee commitment | | .777 | | | | |
| Q5 | The Human Resource department is seen as a champion for employees | | .751 | | | | |
| Q31 | The Human Resource department develops people management skills in leaders and managers | | .475 | | | | |

| | | | |
|-----|---|------|------|
| Q14 | The Human Resource department is an active participant in designing/ delivering HR processes | .746 | |
| Q13 | The Human Resource department is measured by its ability to efficiently deliver HR processes | .714 | |
| Q28 | The Human Resource department works to manage diversity | .598 | |
| Q29 | The Human Resource department facilitates establishment of clear performance standards | .545 | |
| Q22 | The Human Resource department makes sure that HR processes and programs increase the organisation | .738 | |
| Q11 | The Human Resource department is effective in processing documents and transactions | .725 | |
| Q23 | The Human Resource department spends time on supporting new behaviours for keeping the organisation competitive | .697 | |
| Q4 | The Human Resource department is measured by its ability to help employees meet personal needs | | .888 |
| Q3 | The Human Resource department works to facilitate support to help employees meet family and personal needs | | .797 |
| Q38 | The Human Resource department helps the organisation create the need for change | | .796 |
| Q34 | The Human Resource department's credibility comes from making change happen | | .687 |

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Note: CA= Credible Activist; CACS= Culture & Change Steward; TM/OD= Talent Manager/Organization Designer; SA= Strategy Architect; OE= Operational Executor; BA= Business Ally

KMO and Bartlett's test

A KMO and Bartlett's test was then performed to assess the sample adequacy and the strength of the inter-relationships between the variables. Tabachnick and Fidell (2013) note that Bartlett's test of sphericity should be statistically significant at $p < .05$ for the factor analysis to be suitable. Furthermore, Tabachnick and Fidell (2013) note the KMO should be a minimum value of .6 suggested for the factor analysis.

Table 6 provides the KMO and Bartlett's test results. The Bartlett's test shows that it is significant at $p < .001$, Chi-square = 870.241. Furthermore, the KMO value is .822, which is above the minimum acceptable range, thus indicating that there are correlations among the variables.

| Table 6: KMO and Bartlett's test | | |
|---|--------------------|---------|
| KMO | | .822 |
| Bartlett's test | Approx. Chi-Square | 870.241 |
| | df | 190 |
| | Sig. | .000 |

Cronbach's alpha

Cronbach's alpha is a test of internal reliability. According to Bryman and Bell. (2011), when performed the coefficient will vary between 1 and 0. A value of 1 represents perfect internal reliability whereas 0 represents no internal reliability (Bryman & Bell, 2011). 0.8 is typically used as a rule of thumb for an acceptable level of internal reliability according to Bryman and Bell. (2011). However, there is also tolerance for a Cronbach alpha value of .70 (Nunnally & Bernstein, 1994).

The latent competency constructs produced from the EFA were tested for reliability using Cronbach's alpha. Table 7 provides the scale reliability for each scale.

The strategy architect construct had a Cronbach's alpha value of .89. Items from the credible activist and talent manager/organisation designer competencies were combined during the EFA and produced a Cronbach's alpha value of .77 which was the second highest (see Table 7). The smallest Cronbach's alpha value was for culture and change steward at 0.60 (see Table 7).

The original Cronbach's alpha value for business ally was .69 (see Table 7). The item total statistics showed that if "Q11 The Human Resource department is effective in processing documents and transactions" was removed, it would increase the value. This item was removed and the revised Cronbach's alpha value was .71 in line with credible activist (see Table 7). Items from the operational executor and talent manager competencies were combined during the EFA, which produced a Cronbach's alpha value of .71 (see Table 7).

All five effectiveness measures were combined to create an overall effectiveness scale. Construct reliability was assessed for the effectiveness scale and produced a Cronbach's alpha value of .89 (see Table 7).

Table 7: Scale Reliability

| | Scale | Cronbach's Alpha |
|---|---------------|------------------|
| 1 | SA | .89 |
| 2 | CA + TM/OD | .77 |
| 3 | OE + TM/OD | .71 |
| 4 | BA | .71 |
| 5 | CA | .71 |
| 6 | CACS | .60 |
| 7 | EFFECTIVENESS | .89 |

Note: CA= Credible Activist; CACS= Culture & Change Steward; TM/OD= Talent Manager/Organization Designer; SA= Strategy Architect; OE= Operational Executor; BA= Business Ally

4.4 Correlation coefficient

A set of correlation analyses were conducted to assess the relationships between the resulting HR competencies and HR effectiveness. According to Saunders, Lewis, & Thornhill (2009), a correlation coefficient is performed to quantify the strength of the relationship between variables. A positive value indicates a positive correlation and a negative value indicates a negative correlation (Saunders, Lewis, & Thornhill, 2009).

The results show that the dependent variable had a positive relationship with all of the HR competency constructs (see Table 8). Furthermore, among the operational executor (OE) + talent manager/organisation designer (TM/OD) had the highest correlation with HR effectiveness at ($r = .496, p < .01$). Followed by operational execution + talent manager/organisation designer at ($r = .458, p < .01$).

Within the independent variables, all six HR competency variables were found to be positively correlated with each other. Business ally had the highest correlation with credible activist (CA) + talent manager/organization designer (TM/OD) ($r = .454, p < .01$). The results show that the HR competency independent constructs are more strongly related to effectiveness than the control constructs.

For the purposes of this study, we utilised correlation to statistically identify the relationships between the study variables, specifically, the relationship between each HR competency and HR effectiveness. This would ensure the study hypotheses of *H1 – H6* could be answered.

Table 8: Bivariate correlation of study constructs

| Variable | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------------|--------|--------|--------|--------|--------|-------|---|
| 1 Effectiveness | - | | | | | | |
| 2 SA | .350** | - | | | | | |
| 3 CA + TM/OD | .458** | .364** | - | | | | |
| 4 OE + TM/OD | .496** | .411** | .443** | - | | | |
| 5 BA | .260** | .395** | .454** | .427** | - | | |
| 6 CA | .151 | .148 | .222* | .263** | .202* | - | |
| 7 CACS | .252* | .417** | .361** | .399** | .345** | .226* | - |

N=103; ** p <.01, * p <.05, all two-tailed. CA= Credible Activist; CACS= Culture & Change Steward; TM/OD= Talent Manager/Organization Designer; SA= Strategy Architect; OE= Operational Executor; BA= Business Ally

4.5 Multiple regression

To test the association between the study constructs, multiple regression analysis was run in SPSS. Multiple regression can be used to assess how well a set of variables is able to predict a particular outcome, in this case being HR effectiveness (Tabachnick & Fidell, 2013), and which variable is the best predictor of the outcome (Tabachnick & Fidell, 2013).

The multiple regression produced two models. Model 1 was the demographic details of the respondents and Model 2 was the HR competency variables. The values indicate how well the regression model fits the data.

Table 9: Summary of regression coefficients

| Model | R | R² | Adjusted R² | Std. Error of the Estimate |
|--------------|-------------------|----------------------|-------------------------------|-----------------------------------|
| 1 | .303 ^a | .92 | .045 | .83015 |
| 2 | .620 ^b | .385 | .310 | .70555 |

a. Predictors: (Constant), hotel star rating, Location, Department, Job function, Age

b. Predictors: (Constant), hotel star rating, Location, Department, Job function, Age, SA
CA + TM/OD, OE + TM/OD, BA, CA, CACS

Model 1

Model one produced a $r = .303$ value which indicates a low level of prediction on HR effectiveness (see Table 9). The $r^2 = .92$ value indicates that this independent variable explains only 0.92% of the variability of HR effectiveness (see Table 9).

Model 2

Model two produced a $r = .620$ value which indicates a moderate level of prediction on HR effectiveness (see Table 9). The $r^2 = .385$ value indicates that the HR competencies explain 38.5% of the variability of HR effectiveness (see Table 9).

Furthermore, an analysis of variance (**ANOVA**) was then performed to analyse the statistical significance of the models.

Table 10: ANOVA

| Model | Sum of Squares | df | Mean square | F | Sig. |
|------------|----------------|-----|-------------|------|-------------------|
| 1 | | | | | |
| Regression | 6.77 | 5 | 1.35 | 1.96 | .091 ^b |
| Residual | 66.85 | 97 | 0.69 | | |
| Total | 73.62 | 102 | | | |
| 2 | | | | | |
| Regression | 28.32 | 11 | 2.57 | 5.17 | .000 ^c |
| Residual | 45.30 | 91 | 0.50 | | |
| Total | 73.62 | 102 | | | |

1. Predictors: (Constant), hotel star rating, Location, Department, Job function, Age

2. Predictors: (Constant), hotel star rating, Location, Department, Job function, Age, SA
CA + TM/OD, OE + TM/OD, BA, CA, CACS

Model 1

The independent variables do not statistically significantly predict the dependent variable, $F(5, 97) = 1.96, p > .09$ (see Table 10). In this case, the regression model is not a good fit for the data.

Model 2

The independent variables do statistically significantly predict the dependent variable, $F(11, 91) = 5.17, p < .0005$ (see Table 10). In this case, the regression model is a good fit for the data.

Lastly, the multiple regression produced the statistical value as how each variable predicts effectiveness.

The results show that the control variables being: location ($t = .85, p = .40$), Department ($t = -1.00, p = .32$), Job function ($t = -1.29, p = .20$), Age ($t = 1.39, p = .17$) and Hotel star rating ($t = .89, p = .38$) were all non-significant predictors of HR effectiveness.

The results show that SA ($t = 1.05, p = .30$), BA ($t = -0.82, p = .41$), CA ($t = .45, p = .65$) and CACS ($t = .20, p = .85$), were all found to be non-significant predictor of HR effectiveness.

The results also show that the competencies that were combined following the EFA were significant predictors of HR effectiveness at CA + TM/OD ($t = 2.50, p = 0.01$) and OE + TM/OD at CA + TM/OD ($t = 3.23, p = 0.00$). For example, a .57 increase in OE + TM/OD would be associated with an increase in perceived effectiveness. This is a significant added predictive contribution by the competencies.

Table 11: Coefficient regression

| Model | Unstandardized Coefficients | | Standardized Coefficients | | Collinearity Statistics | | |
|-------------------|------------------------------------|-------------------|----------------------------------|----------|--------------------------------|------------------|------------|
| | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
| (Constant) | 2.84 | 0.66 | | 4.32 | 0.00 | | |
| Location | 0.21 | 0.24 | 0.09 | 0.85 | 0.40 | 0.91 | 1.11 |
| Department | -0.05 | 0.05 | -0.10 | -1.00 | 0.32 | 0.92 | 1.09 |
| Job function | -0.07 | 0.05 | -0.14 | -1.29 | 0.20 | 0.77 | 1.30 |
| Age | 0.17 | 0.12 | 0.16 | 1.39 | 0.17 | 0.73 | 1.36 |
| Hotel star rating | 0.08 | 0.10 | 0.09 | 0.89 | 0.38 | 0.98 | 1.02 |
| (Constant) | -0.89 | 0.84 | | -1.07 | 0.29 | | |
| Location | 0.19 | 0.22 | 0.08 | 0.89 | 0.38 | 0.84 | 1.20 |
| Department | -0.05 | 0.04 | -0.11 | -1.27 | 0.21 | 0.86 | 1.17 |
| Job function | -0.04 | 0.05 | -0.08 | -0.84 | 0.40 | 0.73 | 1.37 |
| Age | 0.16 | 0.10 | 0.15 | 1.49 | 0.14 | 0.70 | 1.43 |
| Hotel star rating | 0.02 | 0.09 | 0.02 | 0.27 | 0.79 | 0.87 | 1.14 |
| SA | 0.13 | 0.13 | 0.10 | 1.05 | 0.30 | 0.69 | 1.46 |
| CA + TM/OD | 0.33 | 0.13 | 0.27 | 2.50 | 0.01 | 0.60 | 1.67 |
| OE + TM/OD | 0.57 | 0.18 | 0.34 | 3.23 | 0.00 | 0.63 | 1.59 |
| BA | -0.10 | 0.12 | -0.08 | -0.82 | 0.41 | 0.66 | 1.51 |
| CA | 0.04 | 0.10 | 0.04 | 0.45 | 0.65 | 0.82 | 1.22 |
| CACS | 0.02 | 0.12 | 0.02 | 0.20 | 0.85 | 0.67 | 1.50 |

a. Dependent Variable: Effectiveness

For the purposes of this study, we utilised multiple regression to statistically identify the association between the study variables, and how well the HR competencies variables are able to predict HR effectiveness. This would ensure the study hypotheses of *H7* could be answered.

4.6 Hypothesis testing

The subsequent sections provide the results from the hypothesis testing. First, results from the correlation are presented in regard to hypotheses one to six. Secondly, results are presented from the multiple regressions in regard to hypothesis 7.

4.6.1 Hypothesis 1 – 6

All six HR competency variables were found to be positively correlated with each other. Credible activist (CA) had a positive but not significant relationship with effectiveness at ($r = .151, p < .05$). Thus, *H1* is accepted.

Culture and change steward (CAC) had a significant positive relationship with effectiveness at ($r = .252, p < .05$). Thus, *H2* is accepted.

Strategy architect (SA) had a significant positive relationship with effectiveness at ($r = .350, p < .01$). Thus, *H4* is accepted.

Business ally (BA) had a significant positive relationship with effectiveness at ($r = .260, p < .01$). Thus, *H6* is accepted.

Following the EFA the HR competency talent manager/organisation designer (TM/OD) did not stay as its own competency and was combined with credible activist (CA) to create credible activist + talent manager/organisation designer (CA + TM/OD) (see Table 8). As talent manager/organisation designer (TD/OM) did not exist on its own in the correlation analysis, *H3* is rejected.

Following the EFA, the HR competency operational executor (OC) did not stay as its own competency and was combined with talent manager/organisation designer (TM/OD) to create operational executor + talent manager/organisation designer (OC + TM/OD) (see Table 8). As operational executor (OE) did not exist on its own in the correlation analysis, *H5* is rejected.

4.6.2 Hypothesis 7

The results of the multiple regression showed that only the two competencies that were combined following the EFA were significant predictors of HR effectiveness being: at CA + TM/OD ($t = 2.50, p = 0.01$) and OE + TM/OD at CA + TM/OD ($t = 3.23, p = 0.00$).

Firstly, because not all HR competencies stayed as the original competency based on the EFA, secondly, because not all HR competences equally contribute to HR effectiveness, $H7$ is rejected.

4.7 Revised research model

Based on the results of the EFA, correlation coefficient and multiple regression. The figure below presents the revised research model.

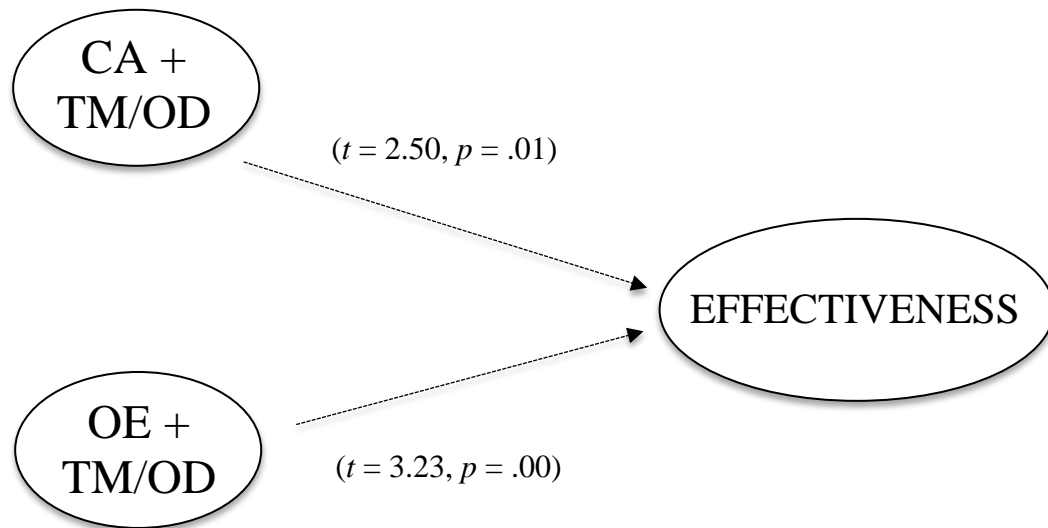


Figure 3: Revised research model

Note: CA= Credible Activist; TM/OD= Talent Manager/Organisation Designer; OE= Operational Executor

Chapter 5. Discussion

This study into HR competencies and HR effectiveness was developed in line with increasing interest in HR competency and business partner models. This study intended to add to existing literature by empirically testing the Ulrich et al. (2008) HR competency model in the context of the New Zealand and Australian hotel industry. The empirical results have potential to make a contribution to the validation of the Ulrich et al. (2008) HR competency model. The following chapter will firstly provide an overview of the research findings. The practical implications of the research will be discussed followed by the limitations of the study and areas for future research are identified.

5.1 Summary of findings

To aid in answering the research question “What HR competencies are perceived to impact on perceived HR effectiveness?”, this study adopted the Ulrich et al. (2008) HR competency model. Control variables were also included in the study.

103 responses were obtained for analysis as seen in Table 3. The results showed that only 15 respondents were from Australia, the remaining 88 from New Zealand, significantly impacting the generalisability of the results across the two countries.

The Front Office department had the highest number of respondents ($N = 23$) closely followed by Administration and General Management with ($N = 22$). This result is not surprising as both of these departments have roles that are highly computer based. This result can be explained as the survey was only accessible online, and employees in these job functions had more access and opportunity to participate. Similarly, this could also explain the job function results.

With regard to age, the largest group was 18-25 ($N = 41$). This was not a surprise as the hotel industry is attractive to younger workers.

The descriptive statistics for the HR competencies showed that the highest mean of the construct measurements was “Q16 The Human Resource department manages labour policies and procedures” ($M = 4.25$). This result is characteristic of the Ulrich et al. (2012) wave theory, specifically wave one where by delivery of HR services and regulatory compliance was predominant. As well as the late 1900’s, initial era of HR function evolution as documented by Maugans (2015). Although both authors agree that there is evidence that the HR function is moving towards a strategic business partner model (Maugans, 2015; Ulrich et al., 2012), this result indicates that in this particular context the HR function role in regulatory compliance is still highly visible.

The EFA was a key scientific step in the analysis of the data and towards answering the research questions and study hypotheses.

From the original 45 role function statements used in the survey that had been validated and sorted during the pilot study (see Table 1), 25 variables were removed during the EFA, resulting in 20 role statements remaining for further analysis (see Table 5).

One role statement was then also removed during the Cronbach’s alpha, being “Q11 The Human Resource department is effective in processing documents and transactions”, increasing the Cronbach’s alpha value of the business ally competency to .71, as shown in Table 7.

The EFA process also resulted in two of the original competencies: talent manager/organisation designer and operational executor being combined with other competencies to fit the model and enable the data to be understood.

The next scientific step was to perform a set of correlation analyses. The results produced from the correlation testing indicate that in this study, of the control variables, only age had a positive relationship with effectiveness that was significant at ($r = .213, p < .05$). This result could be interesting for future research.

Although the control variables were not hypothesised upon, they were added to see if they did have any relationship with perception of HR effectiveness. The addition of a question regarding tenure could also be an interesting area for further research.

The results showed that among the combination HR competencies formed operational executor + talent manager/organisation designer had the highest correlation with HR effectiveness at ($r = .496, p < .01$). This was closely followed by operational executor + talent manager/organisation designer at ($r = .458, p < .01$). The study expected to find that the original role statements would stay combined with their original competency. Therefore, this result was surprising as the highest value belonged to one of the two newly combined HR competencies.

To aid in answering the research question “What HR competencies are perceived to impact on perceived HR effectiveness?”, the study hypothesised that all six HR competencies would be have a positive relationship with HR effectiveness.

Four of the six HR competencies were found to have a positive relationship with effectiveness, these being: credible activist, culture and change steward, strategy architect and business ally (see Table 8). Therefore, *H1*, *H2*, *H4* and *H6* were accepted.

Although the results showed that combination HR competencies formed had significant relationships with effectiveness, as the original talent manager/organisation designer (TD/OM) did not exist on its own in the correlation analysis *H3* was rejected. Similarly, as operational executor (OE) also did not exist on its own in the correlation analysis, *H5* was rejected.

This result was surprising and therefore does not validate the overall Ulrich et al. (2008) HR competency model in this context. This result could be explained by a number of different factors. It is possible that based on the department and age of the participants, they are likely to be relatively new to the workforce and have had little interaction with the HR function.

Although two of the study hypotheses were rejected (*H3* and *H5*), the results from the correlation provide insight into a different pattern on how employees perceive HR competencies and HR effectiveness.

The final scientific step in the analysis was to perform multiple regression to identify which competency was the best predictor of HR effectiveness and answer the *H7* hypothesis.

The two models that were produced following multiple regression indicate that the control variables had a low level of prediction of HR effectiveness and only explained approximately 9.2% of the variability of HR effectiveness, indicating that demographic details of respondents had minimal impact on perceptions of HR competencies and HR effectiveness.

The HR competency variables had a moderate level of prediction on HR effectiveness and explained approximately 38.5% of the variability of HR effectiveness. This was a somewhat pleasing result as it indicated that the competency model is relevant to an extent in the context of this study.

The results of the multiple regression indicate that SA ($t = 1.05, p = .30$), BA ($t = -0.82, p = .41$), CA ($t = .45, p = .65$) and CACS ($t = .20, p = .85$), were all found to be non-significant predictors of HR effectiveness.

The multiple regression results showed that the combination competencies that were formed being: CA + TM/OD, was a significant predictor of effectiveness at ($t = 2.50, p = .01$), and OE + TM/OD was also a significant predictor of effectiveness at ($t = 3.23, p = .00$).

Firstly, because not all HR competencies stayed as the original competency based on the EFA and secondly, because not all HR competences equally contributed to HR effectiveness $H7$ was rejected.

Insight into this different pattern on how employees perceive HR competencies and HR effectiveness will be discussed in the following sections.

The two new combination competencies are made up of the following role statements:

5.1.1 CA + TM/OD competency

The CA + TM/OD competency was made up of the following role statements:

- Q6 The Human Resource department participates in building employee morale
- Q5 The Human Resource department is seen as a champion for employees
- Q8 The Human Resource department helps the organisation generate employee commitment
- Q31 The Human Resource department develops people management skills in leaders and managers

The combination of question 6, question 5 and question 8 was an expected result, as all three questions were from the original credible activist HR competency (Ulrich et al, 2008). Looking at the particular role statements, the addition of question 31 was a surprising but valuable result. Common themes that can be identified among the first three questions are organisational culture and employee engagement. The addition of question 31 could indicate that in this context, employees perceive development of people management skills as an important factor in building a positive and strong organisational culture and employee engagement. Leaders and managers are responsible for developing a strong organisational culture and employee engagement within their departments. Therefore, having the skills and capability to do so is very important.

The results show that the HR function in this context is shown to be contributing effectively to this development. Question 31 could also indicate that employees want to ensure their leaders and line managers are trained and competent in the same skill sets.

Ulrich et al. (2008) found in their study that the credible activist was the most competency with the most impact. As this competency is made up of predominantly credible activist role statements, this does replicate what was found by Ulrich et al. (2008) to some extent.

5.1.2 OE + TM/OD competency

The OE + TM/OD competency was made up of the following role statements:

- Q13 The Human Resource department is measured by its ability to efficiently deliver HR processes
- Q14 The Human Resource department is an active participant in designing/ delivering HR processes
- Q28 The Human Resource department works to manage diversity
- Q29 The Human Resource department facilitates establishment of clear performance standards

The combination of questions 13 and 14 was an expected result as they are both associated with the original operational executor HR competency (Ulrich et al., 2008).

In line with question 16 “The Human Resource department managed labour policies and procedures” having the highest mean of the construct measurements, this result is characteristic of the Ulrich et al. (2012) wave theory and Maugans (2015) initial era of HR function theory, whereby delivery of HR processes was a dominant theme. This indicates that the HR function in the context could be less evolved towards the business partner model.

The addition of questions 28 and 29 into this competency are surprising. This is a valuable finding as it could indicate that employees value the importance of diversity in the workplace, furthermore, that they see this as an effective HR process. Question 29 could indicate that the HR processes that are designed and delivered by the HR function are seen as clear performance standards for all employees to meet.

In regards to the overall results, they show that the talent manager/organisation designer role on its own is not visible to employees in this context. Ulrich et al., (2008) found in their study that following the credible activist HR competency, the talent manager/organisation designer, culture and change steward and strategy architect all came in next in terms of importance. This highlights an interesting area for further research on the talent manager/organisation designer role in this context.

5.2 Research implications

Debate continues among researchers about the effectiveness of HR competency models. In line with the results from the hypothesis testing, in this study none of the original six Ulrich et al, (2008) HR competencies were found to be predictors of HR effectiveness.

Therefore, this study does not contribute to validating the overall Ulrich et al, (2008) HR competency model. Caldwell (2008) notes that the HR competency model is less effective in linking HR strategy and business performance. The results of this study, therefore, agree with Caldwell (2008) from a research perspective.

However, the findings of this study are valuable and have practical implications for HR professionals in the New Zealand and Australian hotel industry. The findings show that the HR competency model is to an extent relevant in this context, however, the multiple regression results found something new and show a different pattern that could be unique to the New Zealand and Australian hotel industry.

The findings indicate that employees perceive that when the competencies of credible activist and operational executor are combined with the talent manager/organisation designer, they are the most important and significant in predicting HR effectiveness. Therefore, it is important for HR professionals to evaluate their performance against these three competencies.

The findings also indicate that employees perceive that developing a strong organisational culture and employee engagement is important and leads to the HR function being perceived as effective. It is important for HR professionals to be aware of this and also ensure that leaders and managers that are hired are trained appropriately, and are able to continue promoting the desired organisational culture and creating employee engagement.

The results show that delivering HR processes also leads to the HR function being effective. This is important for HR professionals to acknowledge but also presents an opportunity to evaluate the time spent on such processes.

Streamlining and automating some processes may enable time to be spent on developing the competencies that were shown not to be predictors of effectiveness, these competencies being strategy architect, business ally, credible activist and culture and change steward. These competencies present focus areas for development and investment.

It has been documented that there has been a shift in the HR role, away from traditional personnel management, towards strategic HRM (Ahmad et al., 2015; Barney & Wright, 1998; Bowen et al., 2002). However, the results of the multiple regression do not indicate that the strategy architect HR competency in particular is associated with HR effectiveness.

When examining the context of this study there could be a number of reasons to explain this finding. Initially, the strategic direction of the business and strategies are often developed and implemented by leadership teams. In this case, referring to the job function of the respondents, the largest group was department head at 36.3% ($N = 37$) followed by front line colleague – full time at 20.6% ($N = 21$). It could be possible that the department head level look at strategy in terms of collective output as a leadership team, rather than a specific responsibility of the HR function, similarly with front line colleague – full time.

Furthermore, within HR departments there could be multiple roles such as HR administrator, HR coordinator and HR director. It is possible that the HR director would be more involved with the function associated with the strategy architect HR competency. Therefore, understanding which particular HR role respondents are referring to when answering the questionnaire could present an interesting area for further research.

5.3 Limitations and future research

This study has a number of limitations, primarily being the small sample size. With the sample size being 103, the study results and their generalisation must be taken into account with caution.

Firstly, in obtaining the sample size, the use of snowball sampling relied on the networks that the HR directors shared the survey invitation with. Two waves of data collection were held for this study to encourage participation. Furthermore, reminder and follow-up emails were sent to the HR directors to encourage participation. For this study to be conducted in the future, other purposeful sampling methods could be considered. Such as the method used by Seung-Wan and S-Dol (2016) in their study of high-commitment HRM and job stress whereby they targeted one particular multinational company and surveyed the entire population of that company.

Secondly, as the hotel industry is a service industry, the majority of roles are customer facing which means little time is spent on the computer. As the questionnaire was only available online, this limited the capture rate. Job functions such as housekeeping and facilities who often do not use a computer were likely to have less opportunity to participate. As the invitation email was only sent to employees with company email addresses, this further limited the capture rate.

For this study to be conducted in the future, enabling the survey to be taken on paper could increase the response rate. Arranging with companies to have the email invitations sent to personal email addresses, and enabling the questionnaire to be taken outside of work hours could also increase the response rate. Furthermore, offering the chance to win an incentive such as a voucher for participating could also be used to increase the response rate.

Future research might be conducted in line with this study to validate the Ulrich et al, (2008) model but with a larger sample size. Future research could look into different industries or incorporate other hospitality outlets such as restaurants and casinos. Due to the documented evolution of the HR function, the addition of a question regarding tenure could also be an interesting area for further research to see if perception varies depending on how long an employee has been with an organisation. Having a larger sample size would enable further exploration into differences across job functions and departments.

5.4 Conclusion

HR competency and business partner models are being commonly accepted as a set of best practice for HR professionals to adopt to enable them to be effective and impact on business results. A key model that has been developed is the Ulrich et al, (2008) HR competency model, developed from round five of the HR competency study. Although believed by researchers such as Maugans (2005) as the most influential model, there has been no research to date looking into this model with regard to the New Zealand and Australian hotel industry specifically.

This study has therefore contributed towards addressing a gap in HR competency literature by informing how employees perceive HR competences and effectiveness in this context in line with the Ulrich et al, (2008) HR competency model.

The research model suggested that all six HR competencies being: credible activist, operational executor, business ally, talent manager/organisation designer, culture and change steward, and strategy architect would have a positive relationship with HR effectiveness, furthermore, that they would equally contribute to HR effectiveness.

This formed the basis of the seven research hypotheses. The model was applied to the New Zealand and Australian hotel industry and a deductive research approach was followed to test the hypotheses. Data was collected from employees currently working in hotels across New Zealand and Australia.

The results of the EFA produced six HR competencies in total. The competencies that stayed in line with the Ulrich et al. (2008) model were: strategy architect, business ally, credible activist and culture and change steward. These competencies were found to have a positive relationship with HR effectiveness, however, following multiple regression were found not to be significant predictors of HR effectiveness as shown in Table 8.

The remaining two HR competencies were competencies that were produced from the EFA and comprised of a combination of role functions derived from two different competencies. These were credible activist combined with talent manager/organisation designer as well as operational executor combined with talent manager/organisation designer. These competencies were found to have also a positive relationship with HR effectiveness, and following multiple regression were also found to be significant predictors of HR effectiveness as shown in Table 8.

These results were contrary to what was expected, but are valuable findings for HR professionals in the New Zealand and Australian hotel industry as they highlight the most important perceptions of the HR department in this context.

Future research might be conducted in line with this study to further validate the Ulrich et al. (2008) model but with a larger sample size, across different industries or by incorporating other hospitality outlets. Future research may also include the addition of tenure as a control variable.

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Appendix A – Invitation to participate email



Dear colleague,

You are invited to participate in the research that Rachel Devonport, researcher Auckland University of Technology is conducting across New Zealand and Australia. Rachel's study involves a short online survey that focuses on understanding how hotel colleagues in New Zealand and Australia perceive Human Resource competencies and the effectiveness of the Human Resource function.

The research is titled "Understanding perceptions of Human Resource competencies and performance: A quantitative gaps analysis in the New Zealand and Australian hotel industry." This is a short online survey that will take approximately 10-15 minutes of your time to complete. Your participation in this research is entirely voluntary. Please be assured that any information you share in the survey will remain anonymous.

For more detailed information about the research, please click on the following link:

- Participant Information Sheet (right click to open hyperlink in new tab)

If you are willing to help Rachel in her research and complete the survey, please click on the following link:

- Survey Link (right click to open hyperlink in new tab)

Kind regards,

Dr Marcus Ho

Senior Lecturer

Auckland University of Technology

Participant Information Sheet



Date Information Sheet Produced:

24 June 2015

Project Title

Understanding perceptions of Human Resource competencies and performance: A quantitative gaps analysis in the New Zealand and Australian hotel industry.

An Invitation

My name is Rachel Devonport and I am a Master of Business student at Auckland University of Technology. I am conducting research on the topic of Human Resource competencies in the New Zealand and Australian hotel industry. This is an invitation for you to participate in this research. Professor Marcus Ho will be supervising me throughout this research. Your participation is voluntary and choosing to participate or not in this study will neither advantage nor disadvantage you.

What is the purpose of this research?

The purpose of this research to explore employees' perceptions of key Human Resource competencies and roles and the effectiveness of the Human Resource function. The findings from this research will be used to produce a dissertation as part of a Master of Business qualification from Auckland University of Technology.

How was I identified and why am I being invited to participate in this research?

You have been invited to participate in this research as you are currently employed in the hotel industry. You have received this advertisement in email from your organization's Director of Human Resources. From the interactions you have with the Human Resource function in your hotel and I believe that you will hold valuable insights for this research.

What will happen in this research?

This research involves completing an anonymous online survey. The online survey will take approximately 30 minutes of your time to complete. After the research is completed all data will be safely held at Auckland University of Technology by the primary supervisor, Marcus Ho, on an external memory stick for a period of at least six years, after this period the data will be destroyed.

What are the discomforts and risks?

It is not anticipated that any discomfort or risk will come from participating in this research. No personal information will be asked to ensure that participation will remain anonymous.

How will these discomforts and risks be alleviated?

Participation in the research is voluntary and you are able to withdraw from the research prior to the completion of the survey. If you do not wish to answer a certain question you are not obliged to.

What are the benefits?

This research will contribute to current understanding of Human Resource competencies. This research will benefit the hotel industry by giving insight to help inform how Human Resource as a function can improve the effectiveness of their contribution to business success. The benefit for me as the researcher is assisting me in completing my Master of Business qualification.

How will my privacy be protected?

No personal information will be asked in the survey which means that all participants will remain anonymous.

What are the costs of participating in this research?

There is no financial cost associated with participating in this research. It will take approximately 30 minutes of your time.

What opportunity do I have to consider this invitation?

It would be greatly appreciated if you could complete the survey within the next two weeks.

How do I agree to participate in this research?

Completion of the survey link provided in this email will be taken as indicating your consent to participate.

Will I receive feedback on the results of this research?

Upon completion of the research a summary report will be sent to your organization's Director of Human Resources.

What do I do if I have concerns about this research?

Any concerns regarding the nature of this project should be notified in the first instance to the Project Supervisor, Marcus Ho, marcus.ho@aut.ac.nz, +64 921 9999 ext 5448.

Concerns regarding the conduct of the research should be notified to the Executive Secretary of AUTECH, Kate O'Connor, ethics@aut.ac.nz, +64 921 9999 ext 6038.

Whom do I contact for further information about this research?***Researcher Contact Details:***

For further information about this research please contact Rachel Devonport at zqb4613@aut.ac.nz.

Project Supervisor Contact Details:

Marcus Ho, marcus.ho@aut.ac.nz, +64 921 9999 ext 5448.

Approved by the Auckland University of Technology Ethics Committee on 28 July 2015, AUTECH Reference number 15/220.

Appendix B – Questionnaire



Dear Participant,

My name is Rachel Devonport and I am a Master of Business student at Auckland University of Technology. I am conducting research on the topic of how **Human Resource competencies are perceived by colleagues in the New Zealand and Australian hotel industry.**

This is a short electronic survey that will take approximately 10-15 minutes of your time to complete. Your participation in this research is entirely voluntary. Please be assured that any information you share in the survey will remain anonymous.

I would like to thank you for your cooperation as your participation is invaluable to the research outcome.

Please note that the completion of this survey will be taken as a consent to participate.

Thank you,
Rachel Devonport

For the full Participation Information Sheet please go to this [link](#).

Q1. Location

Australia

New Zealand

Q2. What department do you primarily work in?

Food and Beverage

Administration and General Management

Front Office

Housekeeping and Facilities

Business Support

Sales, Marketing and Revenue Management

Spa and Recreation

Q3. Job function

General Manager or Director

Department Head

Assistant Head of Department

Supervisor

Team Leader

Front Line colleague - Full time

Front Line colleague - Part time

Q4. How old are you?

Under 18

18-25

26-34

35-54

55-64

65 or over

Q5. Hotel star rating

5 Star +

5 Star

4 Star +

4 Star

3 Star +

3 Star

Q1. The Human Resource department spends time on listening and responding to employees

Strongly Disagree

Disagree

Neither Agree nor
Disagree

Agree

Strongly Agree

Q2. The Human Resource department's credibility comes from maintaining employee morale

Strongly Disagree

Disagree

Neither Agree nor
Disagree

Agree

Strongly Agree

Q3. The Human Resource department works to facilitate support to help employees meet family and personal needs

Strongly Disagree

Disagree

Neither Agree nor
Disagree

Agree

Strongly Agree

Q4. The Human Resource department is measured by its ability to help employees meet personal needs

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q5. The Human Resource department is seen as a champion for employees

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q6.

The Human Resource department participates in building employee morale

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q7. The Human Resource department makes sure that HR processes and programs meet needs of employees

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q8. The Human Resource department helps the organisation generate employee commitment

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q9. The Human Resource department helps employees find purpose and meaning in their work

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q10. The Human Resource department is seen as an administrative expert

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q11. The Human Resource department is effective in processing documents and transactions

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q12. The Human Resource department spends time on operational issues

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q13. The Human Resource department is measured by its ability to efficiently deliver HR processes

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q14. The Human Resource department is an active participant in designing/ delivering HR processes

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q15. The Human Resource department helps the organisation improve operating efficiency

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q16. The Human Resource department manages labour policies and procedures

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q17. The Human Resource department is seen as a business partner

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q18. The Human Resource department's credibility comes from increasing productivity

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q19. The Human Resource department is measured by its ability to help make business strategies

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q20. The Human Resource department is measured by its ability to help the organisation anticipate and adapt to future issues

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q21. The Human Resource department works to anticipate future people needs

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q22. The Human Resource department makes sure that HR processes and programs increase the organisation's ability to change

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q23. The Human Resource department spends time on supporting new behaviours for keeping the organisation competitive

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q24. The Human Resource department provides accurate and candid feedback

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q25. The Human Resource department uses challenging and valuable work to motivate and retain key talent

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q26. The Human Resource department works to attract, promote and retain appropriate people

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q27. The Human Resource department manages poor performance effectively

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q28. The Human Resource department works to manage diversity

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q29. The Human Resource department facilitates establishment of clear performance standards

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q30. The Human Resource department works to offer training programs

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q31. The Human Resource department develops people management skills in leaders and managers

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q32. The Human Resource department sets expectations for leadership behaviours

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q33. The Human Resource department is seen as a change agent

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q34. The Human Resource department's credibility comes from making change happen

| | | | | |
|-------------------|----------|-------------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|-------------------------------|-------|----------------|

Q35. The Human Resource department helps the organisation adapt to changes

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q36. The Human Resource department participates in driving culture change

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q37. The Human Resource department helps employees understand why change is important

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q38. The Human Resource department helps the organisation create the need for change

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q39. The Human Resource department works to align HR strategies and business strategy

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q40. The Human Resource department spends time on strategic issues

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q41. The Human Resource department is an active participant in business planning

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q42. The Human Resource department helps the organisation accomplish business goals

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q43. The Human Resource department's credibility comes from helping to make business strategy happen

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q44. The Human Resource department participates in the process of defining business strategies

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q45. Human Resource department makes sure that HR strategies are aligned with business strategy

| | | | | |
|-------------------|----------|----------------------------|-------|----------------|
| Strongly Disagree | Disagree | Neither Agree nor Disagree | Agree | Strongly Agree |
|-------------------|----------|----------------------------|-------|----------------|

Q46. The overall quality of service from your HR department

| | Poor | Fair | Good | Very Good | Excellent |
|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Timeliness | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Clarity | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Accuracy | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Manner | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |
| Access | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> | <input type="radio"/> |