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A TRI-PARTITE APPROACH TO EVALUATING PERSONNEL/HUMAN
RESOURCE DEPARTMENT EFFECTIVENESS(U) J B FUQUA SCHOOL
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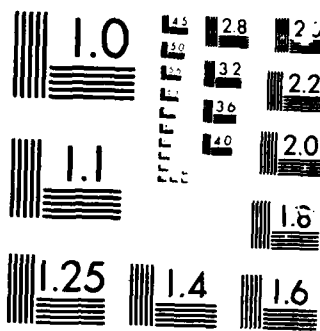
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This report briefly describes research conducted over two years of the grant period (Oct. 1983 - Oct. 1985) and subsequently till Dec. 1986. The major research findings are summarized. Technical reports, archival publications, convention presentations, and university presentations made on this research are listed.					
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A Tri-partite Approach to Evaluating Personnel/
Human Resource Department Effectiveness

A Final Report

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This research program was intended to advance our knowledge on the effectiveness of the personnel/human resource department as a subunit within large organizations. The research was motivated by the poor scientific understanding of how the effectiveness of this subunit is assessed and how its effectiveness is related to overall organizational performance. The research program involved the development of a theoretical framework for this assessment and several empirical tests of aspects of this framework.

Integrating the literature on the evaluation of the personnel function, organizational effectiveness, open systems theory, and Thompson's (1967) contingency assessment framework, a tri-partite framework of personnel/human resource department effectiveness was developed. This framework is described in technical report ONR-84-1. Based on the technology of the tasks performed by the personnel/human resource subunit, the ambiguity of its output standards, and the multitude of its clients, a multiple-constituency approach of assessment is suggested to be most appropriate. Nine hypotheses were proposed, specifying the relationship among the activities of this subunit, its evaluation criteria, its effectiveness from the perspectives of different constituencies, and aspects of overall organizational effectiveness. Three separate empirical efforts were undertaken to explore the efficacy of this multiple constituency approach as an assessment procedure for the human resource subunit.

The first empirical effort involved a delphi study in which the opinions

of eight constituencies on important activities to be performed by the human resource department and meaningful criteria to be used for evaluating its performance were solicited. A total of 122 activities and 90 evaluation criteria were identified. Seventeen of the 122 activities were judged to be important and twelve of the 60 criteria were judged to be meaningful by 100% of the 35 delphi participants. One hundred and one of these activities and 60 of these criteria received agreement on their importance and meaningfulness, respectively, from 50% of the delphi panel. The detailed results of this delphi study can be found in FSB technical report, Duke University, May 1984, and technical report ONR-86-1.

The second empirical effort involved a mailed questionnaire completed by 805 managers and employees in five companies. The purpose of this empirical study was to identify the underlying dimensions of the activities and evaluation criteria. Using factor analysis, the list of 101 activities was reduced to eight dimensions (reported in technical report ONR-85-1) and the list of 60 evaluation criteria was reduced to five dimensions (reported in technical report ONR-86-1). The activity dimensions involved both routine tasks suitable for standardization and non-programmable activities requiring reciprocal feedback and mutual adjustment with clients. The evaluation criteria related to both objective outcomes such as affirmative action and training accomplishments as well as subjective opinions of the clients regarding the department's effectiveness in meeting their expectations.

The third empirical effort was to explore constituency perspectives and preferences on the department's activities and evaluation criteria, to identify the activities and contextual conditions associated with the subunit's effectiveness assessment from multiple constituencies, and to examine the relationship between the subunit's effectiveness and overall organizational

effectiveness. Results on constituency perspectives and preferences are summarized in technical report ONR-86-1. Results on correlates of effectiveness and on the relationship between the subunit's effectiveness and organizational effectiveness are reported in technical report ONR-86-2.

Focusing on the operating level human resource department, the perspectives of three constituencies at the operational level: line executives, line managers, and non-management employees; and three constituencies at the strategic level: corporate human resource managers, corporate labor relations managers, and corporate human resource executives, were compared. The results show that there were more differences in the preferences for activities and opinions on evaluation criteria between constituencies at the operating and the strategic (or corporate) levels than among the constituencies at the same organizational level.

Activities and contextual conditions associated with effective human resource subunits were analyzed, using data from 150 human resource subunits in three large organizations, involving the three constituencies of 146 line executives, 836 line managers, and 884 non-management employees. The results show that the activities instrumental for gaining effectiveness opinions from executives differed from those useful for obtaining favorable opinions from managers and employees. The use of human resource committees was useful for coopting the favorable assessment from managers. Speediness in responses, such as the number of days to fill vacant positions and the number of days to answer inquiries, was important for favorable assessments by managers and employees. The extent to which human resource concerns were incorporated into business planning activities was associated with the effectiveness assessment from line executives. The effective human resource subunits also had more resources, such as economic support from line executives, intellectual support from corporate human resources, and political support from line managers.

The plurality of clients is the major source of task complexity for the human resource subunit. This research showed that when the constituency set is characterized by a large variation in demographics such as tenure, sex, race, and professional orientation, the human resource subunit in general was less effective, as judged by the constituencies such as line executives, line managers, and non-management employees.

Opinions about the effectiveness of the human resource subunit differed widely among the three constituencies. No agreement existed between the opinions of the executives and non-management employees. Line executives gave the most favorable opinions, while the non-management employees gave the least. However, the non-management employees' opinions were significantly related to several indices of organizational effectiveness, such as absenteeism, grievances, minority promotions, job satisfaction, organizational commitment, and perceived operational effectiveness. Line executives' opinions of human resource departments' effectiveness were related only to three of these indices. Thus, depending on the perspectives taken and the criteria chosen, the human resource subunit can be both effective and ineffective.

The research results provide interesting discoveries on the nature of effectiveness of human resource subunits, as judged from different clients. The potential avenues for future research are many. Some of these are outlined in technical report ONR-85-1 and others can be found in ONR-86-1.

TECHNICAL REPORTS

Tsui, Anne S. Personnel Department Effectiveness: A Tripartite Approach (Technical Report No. ONR-84-1). Fuqua School of Business, Duke University, June 1984.

Tsui, Anne S., and George Milkovich. Dimensions of Personnel Department Activities: An Empirical Study (Technical Report ONR-85-1). Fuqua School of Business, Duke University, May 1985.

Tsui, Anne S. Defining the Activities and Effectiveness of the Human Resource Department: A Multiple Constituency Approach (Technical Report No. ONR-86-1). Fuqua School of Business, Duke University, December 1986.

Tsui, Anne S. Assessing the Effectiveness of an Organizational Subunit: A Reputational Approach (Technical Report No. ONR-86-2). Fuqua School of Business, Duke University, December 1986.

ARCHICAL PUBLICATIONS

Tsui, Anne S. (1984). "Personnel department activities: A tripartite approach," Industrial Relations, 22(2): 184-197.

Tsui, Anne S. (1987). "Defining the activities and effectiveness of the human resource department: A multiple constituency approach," Human Resource Management, in press. Also, in Schuler, R., Youngblood, S., and Huber, V. Readings in Personnel/Human Resource Management. St. Paul: West Publishing, in press.

CONVENTION PRESENTATIONS

Tsui, Anne S., and George Milkovich. "Dimensions of personnel department activities: An empirical study." Academy of Management, 45th National Meeting, August 1985.

Tsui, Anne S. "A strategic constituency approach to assessing the effectiveness of organizational subunits: The case of the human resource department." Academy of Management, 46th National Meeting, August 1986.

UNIVERSITY PRESENTATIONS

"A tripartite approach to evaluating personnel department effectiveness." New York State School of Industrial and Labor Relations, Cornell University, September 18, 1983.

"Assessing the effectiveness of an organizational subunit: A reputational approach." Graduate School of Management, University of California, January 26, 1987.

FUQUA SCHOOL OF BUSINESS REPORTS

Tsui, Anne S. A Summary Report on a Delphi Study of Personnel Department Activities and Criteria. Fuqua School of Business, Duke University, May 1984.

Tsui, Anne S. A Study of Personnel Department Activities and Standards: A Five-Company Report. Fuqua School of Business, Duke University, November 1984.

Tsui, Anne S. A Study of Personnel Department Activities and Effectiveness: A Three-Company Report. Fuqua School of Business, Duke University, October 1985.

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