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EMPIRICAL STUDY(U) J B FUQUA SCHOOL OF BUSINESS DURHAM
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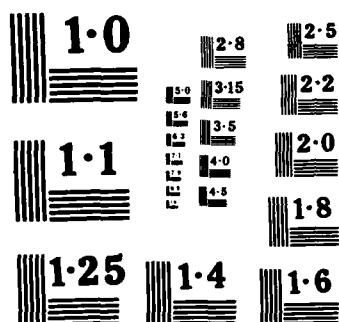
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Dimensions of Personnel Department Activities: An Empirical Study

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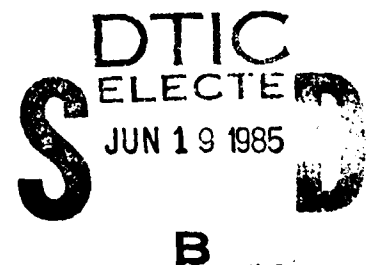
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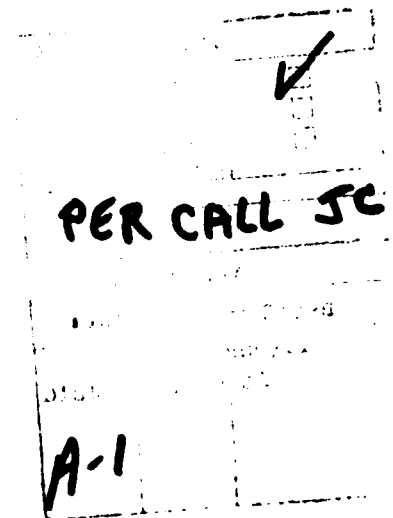
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Dimensions of Personnel Department Activities: An Empirical Study

Abstract

The domain of personnel department activities was defined empirically by a modified delphi involving 35 experts representing eight constituencies. A factor analysis of these tasks using the opinions of 805 managers and employees in five firms suggested eight meaningful dimensions. These activity dimensions appear to capture both the administrative and the strategic foci of the personnel unit. The potential usefulness of these dimensions for comparative analysis of personnel unit activities across organizational contexts was also explored.



Dimensions of Personnel Department Activities: An Empirical Study

Personnel/human resources is an administrative unit common to most organizations. Personnel departments seem to be established as part of a functional specialization resulting from increasing organizational size and complexity, and the uncertainty in the external environment (O'Reilly & Anderson, 1982; Jacoby, 1984; Kochan & Cappelli, 1984). Personnel activities are therefore derived in part from functional specialization, and in part from the need to respond to external contingencies. Traditional activities include staffing, compensation, training, union relations and the like. However, the actual work performed by personnel units has not been subject to much empirical study. Existing empirical research (e.g., Ash, 1967; Carroll, 1960) has relied on a set of activities that were defined a priori based on generalizations derived from common knowledge. A systematic, empirically based classification of personnel activities does not exist. The purposes of this paper are two-fold: first, to report the results of an empirical study on the domain and dimensionality of the tasks performed by the personnel unit; and second, to explore the usefulness of this taxonomy in studying personnel activity variability across contextual conditions.

BACKGROUND

Personnel/human resources management is not a unified concept nor is it unidimensional. Most perspectives on human resources (e.g., Miles & Snow, 1984a; Heneman, Schwab, Fossum & Dyer, 1984; Tichy, Fombrun & Devanna, 1982; Schuler, 1984a, 1984b) define several a priori personnel tasks. These a priori tasks and the classification of related tasks into general activities are not identical across the various perspectives, though a considerable degree of overlap in their content does exist. Some writers suggest that personnel activities vary according to certain organizational and environmental

For example, personnel activities may vary according to the firm's industry (Janger, 1977), its business strategy (Kochan, McKersie & Cappelli, 1984; Miles & Snow, 1984a; Wils & Dyer, 1984), the demographics of its employees (Milkovich & Glueck, 1985), its union status (Foukle, 1980; Fossum, 1979) and the external legal or labor market conditions (Heneman, et al., 1984, Jacoby, 1983). Some activities may be emphasized more than others when organizational and environmental conditions are not identical. A common classification of personnel activities will aid in the systematic comparison of variations in personnel efforts across different organizations, across multiple personnel units within the same organization, or within the same organization over time.

These various approaches also adopt a contingency perspective, specifying either implicitly or explicitly that the degree of fit between personnel activities and their contextual conditions will lead to organizational effectiveness (Miles & Snow, 1984b). Knowledge of different profiles of personnel activities will also help identify the competencies needed in staffing the personnel units.

In order to study what conditions may lead to certain personnel activities and how different activities may be related to organizational effectiveness, we first need to clarify the construct, the content of personnel work. Some knowledge of this construct is available in standard personnel textbooks (e.g., Heneman, et al., 1984; Milkovich & Glueck, 1985) or in conceptual human resources models (Tichy, et al., 1982, Schuler, 1984a, 1984b; Miles & Snow, 1984a). However, an empirically specified domain and dimension of these activities are not available. When different authors use different classifications, comparison of knowledge across models and accumulation of results across studies is difficult.

A common list of personnel activities includes employment planning,

staffing, compensation, labor relations, employee protection, development, and employee evaluation. This list is generally assumed to be representative of the domain of personnel work. The content validity of this domain and the classification of its elements have not been empirically examined. A few examples illustrate the point. Consider the task of providing employee career counseling. It is treated as a staffing activity by some authors (Heneman, et al., 1984) but grouped with training and development by others (Milkovich & Glueck, 1985). Performance appraisal may be found either in the employee development or in the reward systems chapters. Benefits may be subsumed under either compensation or employee protection. EEO may be a separate activity or it may be subsumed under all other personnel work. In general, the grouping of multiple tasks into broader dimensions has relied less on theoretical or empirical bases, and more on organizing convenience or pedagogy. Inconsistent grouping of tasks in one personnel activity or another may make little difference if the purpose served is teaching in a classroom. However, differences in grouping personnel tasks may have important implications if the purpose is to study variations in personnel activities across different organizations or over time. Commonality in the definition (conceptual and operational) of the construct is essential for comparing results across studies.

This paper describes the methods and results of an empirical approach for defining the domain of personnel work and in identifying the underlying dimensions of these multiple activities. Three studies were involved in this empirical effort. The first study defined the domain of the tasks performed by the personnel unit. A second study identified the underlying dimensions of these multiple tasks. A third study analyzed the relative importance of these dimensions among different firms, industries and employee groups. Preliminary

findings provide encouraging evidence on the validity of these dimensions for studying contextual effects on personnel department efforts.

Study 1: DEFINING THE DOMAIN OF PERSONNEL ACTIVITIES

Defining the tasks of a personnel unit can be conceptually similar to analyzing a job at the individual level. A job is a collection of tasks performed by a single employee. A personnel unit can be conceptualized as a collection of tasks performed by a group of employees for achieving a common purpose or for utilizing a similar technology or process. A typical job analysis method is the rating of a list of tasks by the job incumbent in a questionnaire such as the PAQ (McCormick, Jeanneret & Mecham, 1972). The job incumbent rates the extent to which a task is a significant portion of the job. A limitation of this approach is that it involves only the job incumbent's perceptions, which may be contaminated. For example, the employee may not be able to report accurately all the tasks performed or may have a particular response set which reduces the accuracy of the data. Further, it is not clear whether it is the job incumbent or the superior of the job who would be in the best position to define the tasks involved.

It seems that the content of a job can be specified by the job incumbent, by the superior, by independent observers or by a combination of these sources. Defining the most appropriate sources to define the content of a job (or a unit) is critical for the validity of the identified task dimensions. A theory-based approach to selecting these sources or experts is desirable. A recently proposed multiple-constituency perspective on evaluating personnel units offers a framework for exploring the domain of personnel work (Tsui, 1984). This approach has the advantage of utilizing all the relevant sources who may have information regarding the work of this administrative unit.

The multiple-constituency (MC) approach suggests that the personnel unit

serves many stakeholders (constituencies) who may be from both inside and outside the firm. Inevitably, the personnel unit engages in tasks to satisfy the interests of these groups. Based on the MC framework, we identified eight constituencies for the personnel unit. They are managers in line functions, professional level employees, non-exempt or hourly employees, members in union bargaining units, business unit executives, human resources executives at the corporate level, personnel managers of the units, and academic human resources experts. The last constituency is included because (we hope) they influence the knowledge base of the practicing personnel professionals. These eight constituencies comprise the sources or experts from whom information was sought regarding the activity domain of the personnel units.

Sample

Thirty five individuals representing the eight constituencies were drawn from four organizations and five universities. The four organizations represent seven major industries: computer, medical instruments, industrial products, consumer products, insurance and banking, and health care. The nine organizations are geographically dispersed. Thus, regional differences were also considered. This sample of experts ensured some level of generalizability in the results.

Procedure

A modified delphi procedure was employed to obtain information on personnel work from the experts. The interactive process of the delphi is ideal for providing feedback and for allowing the modification of opinions. The noninteractive nature is important for minimizing the influence of group dynamics resulting from differences in power or status among the constituencies.

An initial list of 81 personnel tasks was compiled from human resources

literature and from personal interviews with 30 personnel managers. These 81 activities form the content of the first delphi questionnaire. They were presented in random order without any headings or titles. The delphi experts reviewed the list and responded to the question, "To what extent should each of the following activities be performed by a personnel department?" The experts were asked to focus on the divisional level personnel unit. Their answers could be "Definitely no", "Not sure or maybe", or "Definitely yes". After responding to this list, the experts were asked to suggest other important activities which they feel should be included in the list for consideration by the delphi panel.

The responses to the first questionnaire were analyzed and fed back to the experts in the second delphi questionnaire. The feedback was in the form of the percentage of the experts who answered "Definitely yes", "Not sure or maybe", or "Definitely no". The additional activities suggested were added to the list for responses by the experts. Redundant activities were edited or eliminated at the end of each round. Three rounds of delphi were performed.

Results

After three rounds of delphi, a total of 122 activities emerged. 101 of these 122 activities received a "yes" response from at least 50% of the 35 delphi experts. These 101 activities were retained to represent the domain of tasks for a personnel unit according to the views of the multiple constituencies. Seventeen of these activities received a "Definitely yes" response in the third delphi questionnaire from 100% of the experts. These activities are listed in Table 1.¹

Insert Table 1 about here

Study 2: IDENTIFYING THE UNDERLYING DIMENSIONS

To classify this list of tasks into a smaller subset of dimensions, factor analysis was used (Nunnally, 1978). It is a recommended statistical procedure for discovering the latent dimensions of a set of variables purporting to measure the domain of a construct. In this study, exploratory factor analysis was chosen since no a priori number of dimensions was postulated. Factor analysis has been used extensively in research on defining the dimensions of organizational structure (e.g., Hall, 1977; Pugh, Hickson & Hinings, 1969; Pugh, Hickson, Hinings & Turner, 1968) and of managerial work (McCall & Segrist, 1978; Tornow & Pinto, 1976).

Sample

Eight-hundred and five managers and employees from five companies in the southeastern United States completed a survey containing the 101 personnel activities derived from Study 1 described earlier. These five companies were not the same as the four which participated in Study 1. Each company provided a random sample of managers and employees. The sampling percentage varied across companies, depending on firm size. In most instances, about 10% of managers and 2% of non-management employees were sampled. 48% of the initial sample contacted responded to this survey of personnel department activities. This sample comprised 325 managers (with one or more direct subordinates) and 480 non-supervisory employees. Two companies were in the manufacturing industries (high technology telecommunications) and three were in the service industries (insurance, health care, and education). One of the five companies is unionized. The number of participants from the companies ranged from 59 to 219, with a median of 176.

Procedure

After an introductory letter from each company's director for personnel, each participant received a mailed survey. The participant was instructed to

complete and return the survey directly to the researcher. Anonymity and confidentiality were assured.

The participants responded to the question "How important is it to you that a personnel department perform each of the following activities?" The 101 activities were listed in the survey in a random sequence in order to encourage independent thought on the importance of each activity. A 5-point scale was used, with "1" being Not Important and "5" being Extremely Important. No opinion was treated as a missing response. On the average, there were 8% missing data in the responses. Most of the missing responses were on those activities related to union activities. This seemed reasonable since most of the firms were union-free and the respondents could not give an opinion on whether their personnel department should "conduct arbitration" or "negotiate labor contract with the union".

Analysis

The goal of exploratory factor analysis is to derive a "simple structure" meaning that the factors have high and unambiguous loadings, and the factors can be meaningfully interpreted. Nunnally (1978) highly favored varimax rotation for deriving simple structures. He argued that results based on oblique rotation are often difficult to interpret. Further, it has been repeatedly demonstrated that "the two approaches lead to essentially the same conclusions about the number and kinds of factors..." (Nunnally, 1978, p. 376). Thus, principal factor analysis with varimax rotation was used to define the underlying dimensions among the 101 activities. Squared multiple correlations were entered as the initial communality estimates. Kaiser's criterion was applied to determine the number of factors to retain and rotate. Ten initial factors were identified. All items have clear and high loadings. Only two items have loadings of less than .30 on any of the factors and they have

extremely low communality values. These two items were deleted and the 99 items were reanalyzed. The same parameters for initial communality estimates and rotation were used. Nine factors emerged based on Kaiser's criterion. However, the ninth factor had no item loading greater than .30 and was not interpretable. The scree plot of eigen values also suggest that eight factors may be meaningful. Thus, the 99 items were subject to a third factor analysis, forcing an 8-factor solution. The resulting factor structure has high, unambiguous loadings and the factors seem to be substantively meaningful.

The factor results were based on pairwise deletion of cases with missing data. Factor analysis was also performed using item mean substitution for missing data. Almost identical results were obtained. Thus, the missing data did not affect the factor structure in a substantive way. To explore further if the factors were indeed independent, factor analysis with oblique rotation was performed. The factor structure that emerged was almost identical with that identified based on varimax rotation. Only four of the 99 items loaded highly on a different factor between the two rotation procedures. The inter-factor correlations based on the oblique rotation were low. The median correlation is only .35. Based upon Nunnally's (1978) recommendation, results based on the varimax rotation were retained for interpretation. All 99 items have loading of .30 or greater on at least one of the eight factors. In most instances, each activity has high loading on only one factor. 73 items had loadings of .40 or greater on at least one factor. These items were retained to define the dimensions. Table 2 lists these 73 items. Using .40 as the cut-off criterion for interpretation, a simple structure appeared in Table 2. Several items, based on their meaning, were used to define the dimension on which they had the second highest loading. For example, item 60 "develop organization training and development plans" was used to define the

Organization/Employee Development dimension even though it has a higher loading on the Staffing/Human Resources Planning factor. There were eleven such items. Factor III had high loadings from ten Compensation activities and five Employee Relations activities. They were presented in Table 2 as two separate dimensions for clearer illustration.

Insert Table 2 about here

Discussion of the Dimensions

The eight factors account for 44.68% of the total variance in the ratings. The internal consistency reliability estimates were computed and they all exceeded .75. Examining the factor loading patterns suggested these names for the factors: I. Staffing/Human Resources Planning ($\alpha = .88$), II. Organization/Employee Development ($\alpha = .86$), IIIa. Compensation ($\alpha = .85$), IIIb. Employee Relations ($\alpha = .78$), IV. Employee Support ($\alpha = .84$), V. Legal Requirement Compliance ($\alpha = .88$), VI. Labor/Union Relations ($\alpha = .88$), VII. Policy Adherence ($\alpha = .81$), and VIII. Administrative Services ($\alpha = .77$). Factors IV and VIII deal primarily with administrative, paper-processing tasks. They could potentially be combined into one dimension.

These eight dimensions appear to capture both the routine or administrative aspects of the personnel function as well as the proactive and strategic focus frequently discussed by textbooks and human resources models. Factors IV, V, VII and VIII are activities that are more routine or administrative in nature. Factors I, II, III and VI contain activities that are primarily non-programmable or that require creative approaches. Some of these non-routine factors also contain administrative activities. For examples, item 10 (monitor administration of inhouse training courses and programs) in Factor II may be considered administrative in nature. Item 48 in

Factor III also seems routine (process salary actions). In general, there is a clear distinction between the routine, administrative tasks and the non-routine, strategic activities. The administrative tasks seem to provide for the basic maintenance of the human resources. Examples of such activities are communicating compensation/benefit programs, acting as an information source for employees, publishing newsletters, complying with fair employment practices, conducting new hire orientation sessions and maintaining employee and organizational files. The strategic activities involve strategies to plan for, attract, and motivate human resources. They include such activities as developing staffing plans to meet business needs, providing career pathing information, assisting management in conducting salary planning/forecasting, counseling employees on job related problems, monitoring performance appraisal, and designing innovative programs in employee relations. The administrative activities involve paper-processing, repetitive tasks. Strategic activities may involve innovative solutions or approaches. The work of personnel units appears to include both types of activities.

Study 3: COMPARATIVE ANALYSIS OF PERSONNEL ACTIVITIES

Using the dimensions identified in Study 2, contextual differences in personnel activities were examined. This preliminary analysis was to demonstrate the usefulness of these dimensions in analyzing contextual effects on personnel activities. Three contextual variables were used in this analysis. First, the firm itself is treated on one primary contextual variable. Then, industry differences were explored. Finally, variation among employee populations was examined. Specifically, it was hypothesized that the importance of personnel department activities will differ across the firms used in this research, between the manufacturing and service industries represented by the five firms, and between professional and hourly employees. Since

dimensions IV (Employee Support) and VIII (Administrative Services) seem similar in content and meaning, they were combined into one personnel activity dimension. Further, the Compensation and the Employee Relations dimensions were treated as two separate activities in this analysis.

Sample

The sample (N = 805 in five companies) for Study 2 was utilized for this analysis. The mean age of the entire sample (805) was 37.3 (standard deviation = 10.3) and the mean educational level was 14.7 years (standard deviation = 2.4). Nearly half of the sample was female (49.7%).

Three of the five companies were used in the firm analysis. These three companies were used because they offered some unique characteristics that suggest several testable hypotheses. Briefly, company A was a health care insurance company. The employees were primarily female (78% in the sample of 176). Sixty three percent had post high school education. Nineteen percent were minorities. Wage level of workers in the insurance industry is generally lower than other industries. Company B was the only firm with union representation and was a private university with a large medical center. The employees were also primarily female (79% in the sample of 142), and 73% had post high school education. It had a high minority ratio in the workforce (21% in the sample). Company C manufactured telecommunications equipment. The sample from this company consisted of only 31% female (of the 211 in the sample), 77% had post high school education, and 11% were minorities. This company was growing rapidly, thus recruiting was a major organizational issue. Compensation was also a concern for competitive recruiting and retention of employees. It had a three-shift operation, thus personnel support by employees in all three shifts was a challenge. Based on these company characteristics, the following specific hypotheses were formulated regarding the relative importance of these personnel department activities for the three firms.

- Hypothesis 1 Staffing activities will be more important in Company C than in companies A and B.
- Hypothesis 2 Compensation activities will be more important in companies A and C than B.
- Hypothesis 3 Employee Relations activities will be more important in companies A and C than B.
- Hypothesis 4 Employee Support/Administration Services will be more important in Company C than in A and B.
- Hypothesis 5 Legal activities will be more important in companies A and B than in C.
- Hypothesis 6 Union activities will be more important in Company B than in companies A and C.

No specific hypotheses were set for the personnel department activities of Organization/Employee Development and Policy Adherence. They would be equally important in all three companies. Importance of these activities was determined from the perspectives of the sample of managers and employees from each company.

Companies D and E were excluded from this firm analysis because neither offered discernable characteristics that would lead to any meaningful hypotheses. The data from these two firms, however, were included in the industry and occupational level analyses. The two firms in the telecommunication industry were coded "manufacturing" and the remaining three were coded as "service." Based on the broad EEO occupational category of the respondents' jobs, 58% of the sample were coded as professional workers (such as administrative/managerial, professional, and sales) and 42% were coded as hourly employees (such as technical, clerical, operative and unskilled service workers). No directional hypothesis was set for industry and occupational level analysis. Analysis on these two contextual variables will be to explore any potential variations.

Measures and Analyses

A score for each of the eight personnel activity dimensions was computed by summing and averaging the unweighted scores on the items that define each of the dimensions listed in Table 2 (dimensions IV and VIII were combined). Eight dimension scores for each individual were computed. The internal consistency reliability estimates were first computed on each dimension for each sample from each company to verify the generalizability of the dimensions. All the coefficients exceeded .75 with a median .87, suggesting a high level of internal consistency reliability. These coefficients are shown in Table 3.

Mean differences in the importance ratings on these eight activity dimensions across the three companies were analyzed, first using a oneway ANOVA test. Then, t tests were used to test the specific hypotheses. For example, for the first hypothesis, Company C's mean rating on the Staffing dimension was compared to the combined mean rating of companies A and B. T tests were also used to test the industry and the occupational level differences. Results of the firm level analysis are summarized in Table 3. Results for the industry and employee occupational level analyses are summarized in Table 4.

Insert Table 3 and 4 about here

Results

Variations in personnel department activities were found to be a function of all three contextual variables: the firm, the industry, and the employee's occupational level. All six hypotheses on the firm differences were supported. Company C had the highest importance ratings on Staffing the Employee Support Activities. It had the second highest importance rating on the Compensation dimension. Company B had the highest importance ratings on the Union activities and the second highest rating on the Legal Compliance

activities. Company A had the highest importance ratings on the Compensation, Employee Relations, and Legal activities. Both the ANOVAs and the t tests supported the hypothesized relationships.

Industry analysis showed that Legal Requirement Compliance activities were rated to be more important by employees in the service than in the manufacturing industry. So were the Policy Adherence and Compensation activities. On the other hand, Staffing/Human Resources Planning activities received higher importance rating from the sample in the manufacturing industry, though the difference was not significant. Difference in personnel activities of Organization/Employee Development and Employee Support/Administrative Services were also not significant. Labor/Union Relations activities were rated to be more important by the sample in the service industry, reflecting the presence of one union firm in that sample.

The analysis on employee occupational level revealed differences on all eight personnel activities. Hourly workers rated all the activities to be more important than the professional level employees.

The difference in the mean ratings was largest on the Organization/Employee Development dimension ($t = 7.25$, $p < .000$), followed by Legal Requirement/Compliance ($t = 6.42$, $p < .000$), Compensation ($t = 5.87$, $p < .000$) and Employee Support/ Administrative Services ($t = 5.87$, $p < .000$). The high level of importance attached to these personnel activities by the hourly employees may suggest that they are more dependent than the professional level employees on the personnel departments in meeting their employment needs.

In summary, the general hypothesis of contextual differences in the importance of personnel activities was supported, suggesting the usefulness of this taxonomy of personnel department activities for future research.

CONCLUSION

An empirical approach identified eight dimensions of personnel department activities. They seem conceptually meaningful and encompass the a priori classifications proposed by earlier researchers. They are also empirically reliable. Their internal consistency reliability estimates were high across all the samples. Further, their construct validity was demonstrated by the hypotheses tested in this research. The relative importance of certain activities systematically related to certain firm and work force characteristics.

However, future research is needed to verify or replicate these dimensions. It is necessary to examine the stability and generalizability of these dimensions across a variety of industries and at different organizational levels. For example, would the domain of tasks and the underlying dimensions remain constant for personnel units at the corporate and at the divisional levels? Would they vary over time with changes in the demographics of the workforce (i.e., variations in constituencies) or in the condition of the economic, legal or industry environments?

The establishment of an empirical valid and theoretically meaningful taxonomy of personnel work makes it possible to analyze profile characteristics of personnel units in firms with different business strategies, in different industries, with different concentration of employee occupations, as well as many other contextual settings. Exploratory analyses in this study provided some evidence that the importance of the personnel unit activities is a function of certain organizational and environmental conditions. Future research should examine the theoretical foundations for these differences and explore other organizational and environmental variables that may be meaningful.

By pinpointing the conditions under which differences in activities across

personnel units may exist, the design of personnel work as well as the allocation of resources and the identification of competencies for performing the work may be facilitated. Also, the contribution to organizational effectiveness may be systematically investigated by observing the fit between contextual conditions and the pattern of personnel activities. Do effective personnel departments perform all or only some of these activities? How do effective and ineffective departments differ on these dimensions? How do the patterns of personnel activities relate to aspects of organizational effectiveness? By using similar dimensions in these investigations, comparisons of findings across studies and accumulation of knowledge overtime are made possible.

The dimensions reported in this paper offer a parsimonious way of summarizing the multiple tasks of personnel units. These dimensions may serve as a first step toward a valid and theoretically meaningful taxonomy of personnel work for building systematic and cumulative research.

Note

¹The full list of 101 activities may be obtained from the first author.

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Table 1

A Partial List of 101 Personnel Tasks - a Delphi Result

-
1. Provide advice and counsel to management on individual employee problem identification and solution (e.g., deal with adverse or difficult personnel situations such as absenteeism)
 2. Administer grievance procedure according to policy (e.g., identify and analyze problems, review deviations and exceptions, resolve problems)
 3. Process enrollments and communicate benefits program to employees
 4. Ensure compliance with Federal & State Fair Employment Practices
 5. Communicate compensation/benefits programs to management (e.g., interpret/explain compensation policies and procedures, inform management of legal implications of compensation practices)
 6. Maintain employee and organization files (e.g., keep files orderly and systematic)
 7. Communicate to management the philosophy, legal implications, and strategy relating to employee relations.
 8. Provide advice and counsel to management on employee relations problems
 9. Coordinate the hiring procedure (e.g., establish starting salaries, send offer letters, follow up to obtain acceptance, administer medical qts.)
 10. Assist management in resolving salary problems involving individual employees (e.g., salary equity issues)
 11. Provide advice and counsel to mgmt. on staffing policy and related problems
 12. Resolve benefits administration problems
 13. Process benefits claims (e.g., health, worker's compensation, pension, unusual or unique claims)
 14. Consult with management on the practical implications of corporate human resources programs
 15. Communicate sexual harassment policy and other communications of general EEO philosophy and objectives
 16. Ensure consistent and equitable treatment of all employees
 17. Keep up with HR programs developed at the corporate or central personnel departments

Note = 100% of 35 delphi experts stated that the above activities should definitely be performed by a personnel unit.

Table 2

Factor Analysis of Importance Ratings on 99 Personnel Department Activities

Item No.	Item Description (# items)	Factor								h ²
		I	II	III	IV	V	VI	VII	VIII	
<u>I. Staffing/Human Resources Planning (12)</u>										
70.	Develop human resources staffing plan to meet business needs	53								43
63.	Consult with management on the practical implications of corporate human resources programs	53								50
49.	Develop and implement recruiting advertising programs	51								46
73.	Be aware of job market factors in related industries in the development of company programs for implementation in the locations	50								47
76.	Develop and implement succession planning (e.g., replacement charts)	49								51
80.	Keep up with HR programs developed at the corporate or central personnel departments	46								47
71.	Provide career pathing information	45								42
53.	Provide advice and counsel to management on staffing policy and related problems	43								51
51.	Assist management in the development of five-year strategic plan	42								45
78.	Evaluate and assess levels of management (numbers) and management ratio (span of control)	40								47
77.	Improve personnel productivity through process flow analysis techniques, etc.	40								49
8.	Develop and implement recruiting programs	38	40							49
<u>II. Organization/Employee Development (12)</u>										
5.	Assist management on organizational development activities (e.g., formal team building efforts)		61							45
4.	Assist managers in constructing employee development plans		61							43
2.	Evaluate the effectiveness of training courses and programs		61							42
15.	Conduct training needs assessment		60							46
10.	Monitor administration in inhouse training courses and programs		59							43
19.	Provide advice and counsel to management on organizational design and development		57							49
3.	Help management resolve organizational problems		55							38
16.	Assist management in human resource planning		55							44
6.	Provide career and development counseling to employees		51							32
17.	Develop and design innovative programs for the organization (e.g., work at home program)		41							23
60.	Develop organization training and development plans	42	40							44
59.	Assess returns from human resource development investments	55	30							52

Table 2 (continued)

IIIa. Compensation (10)

26. Implement policy on equal pay		59	54
21. Develop and implement audit program for equal pay		56	46
38. Develop and monitor job descriptions for all jobs		56	44
50. Assist management in resolving salary problems		54	47
37. Identify internal candidates for promotion or transfer		50	41
65. Perform job market pricing to determine the local fair market value of jobs		49	45
48. Process salary actions (e.g., review salary offers, approve grade promotions and special merits, provide documentation for unusual or unique salary actions)		48	34
40. Develop and implement system for timely performance appraisal		47	36
61. Conduct special compensation projects (e.g., program salary study)	42	33	40
66. Assist management in conducting salary planning/forecasting	41	32	43

IIIb. Employee Relations (5)

86. Conduct surveys to determine employee attitudes		46	43
72. Ensure consistent and equitable treatment of all employees		46	42
35. Plan, develop, and design employee relations program		44	47
41. Provide advice and counsel to management on employee relations problems		42	48
39. Communicate to management the philosophy, legal implications, and strategy relating to employee relations		41	45

IV. Employee Support (10)

82. Maintain health maintenance programs		61	46
75. Provide hardship, emergency counseling and assistance to employees in need		58	46
74. Establish functional relationship with local physicians and insurance carriers to effectively assist employees' needs in the areas of physical and mental health		58	44
81. Act as an information source for employees on any problem or concern they have		53	40
56. Process benefits claims		49	38
33. Administer pension plans coupled with financial planning as employee		49	41
84. Publish newsletter on personnel and company matters		45	35
92. Coordinate activities with other departments		44	41
62. Process external development requests for professional courses	46	40	48
54. Communicate training program courses to managers and employees	41	31	42

Table 2 (continued)

V. <u>Legal Requirements/Compliance</u> (8)									
43.	Comply with the technical requirement of the Affirmative Action Compliance Program							72	68
22.	Develop Affirmative Action Compliance Program for Protected Classes							70	60
57.	Implement approved Affirmative Action Compliance Program							70	67
32.	Document efforts to meet Equal Employment Opportunity goals and other action oriented commitment within the organization's most current Affirmative Action Compliance Program							68	63
36.	Audit/monitor the organization's attrition of employees in protected classes (i.e., minorities, handicapped)							65	59
30.	Ensure compliance with Federal and State Fair Employment Practices							52	53
9.	Investigate internal and external complaints consistent with organization's policies and procedures on EEO/AA							42	44
85.	Seek out and provide meaningful jobs to handicapped people	47						38	49
VI. <u>Labor/Union Relations</u> (5)									
88.	Negotiate labor agreement with union							79	71
93.	Administer labor contracts							78	77
87.	Determine negotiation strategy with labor union							75	70
94.	Conduct labor/management meetings and ventures							67	65
96.	Conduct arbitrations							54	42
VII. <u>Policy Adherence</u> (5)									
95.	Assure proper administration of disciplinary procedures							52	55
101.	Ensure equitable and uniform interpretation and implementation of company policies by all operating division managers							47	49
97.	Assure equitable administration of attendance and leave policies							47	53
100.	Serve as mediator between managers and employees							41	45
52.	Explain and interpret personnel policies and procedures for management (e.g., general application, acceptable deviations)	40						39	51
VIII. <u>Administrative Services</u> (6)									
31.	Communicate compensation/benefits programs to management							53	51
25.	Process enrollments and communicate benefits program to employees							46	37
29.	Conduct new hire orientation sessions							43	38
27.	Present informational material at management and employee meetings (e.g., new benefits programs, new policies)							42	42
45.	Administer relocation procedure	44						31	41
55.	Resolve benefit administration problems	42						33	46
Eigen Value before Rotation		29.6	3.5	3.1	2.5	1.9	1.8	1.3	1.1
Proportion of Variance Explained (Total variance explained = 44.68)		7.5	7.2	7.0	6.5	5.5	4.3	3.4	3.3

Note: All items with loading $\geq .40$ are shown. Loadings of $\geq .30$ are shown only when the items are used to define the factor or dimension. Decimals omitted.

Table 3 Importance of Personnel Department Activities in Three Firms

Personnel Activity Dimension (# items) ^a	Company						ANOVA F	t value ^b	
	A (N=176)			B (N=142)					C (N=211)
	α	\bar{X}	SD	α	\bar{X}	SD	α	\bar{X}	SD
Staffing/Human Resources Planning (12)	.89	3.74	.67	.88	3.63	.69	.86	3.84	.60
Organization/Employee Development (12)	.87	3.78	.71	.87	3.69	.71	.87	3.78	.69
Compensation (10)	.88	4.43	.59	.84	4.19	.62	.84	4.29	.56
Employee Relations (5)	.83	4.37	.64	.80	4.17	.70	.76	4.31	.57
Employee Support/Admin. Services (16)	.90	4.12	.63	.83	4.07	.52	.88	4.24	.52
Legal Requirements/Compliance (8)	.88	4.04	.74	.81	3.96	.63	.88	3.85	.76
Labor/Union Relations (5)	.89	3.12	.96	.89	3.37	.94	.86	3.21	.93
Policy Adherence (5)	.80	4.24	.68	.81	4.07	.74	.78	4.14	.69

^aSpecific items making up each dimension are listed in Table 2. Dimension IV and VIII are combined.

^bParentheses designate the company(ies) with the highest importance ratings on the activities.

* $p < .05$

** $p < .01$

*** $p < .001$

Importance of Personnel Department Activities by Industry and Occupational Level

Personnel Activity Dimensions (# items)	By Industry				By Occupational Level			
	Service (N=375)		Mnfg. (N=430)		Prof. (N=458)		Hourly (N=332)	
	\bar{X}	SD	\bar{X}	SD	\bar{X}	SD	\bar{X}	SD
Staffing/Human Resources Planning (12)	3.74	.64	3.80	.58	3.71	.59	3.87	.63
Organization/Employee Development (12)	3.76	.74	3.73	.69	3.60	.66	3.95	.65
Compensation (10)	4.35	.60	4.25	.56	4.20	.56	4.44	.59
Employee Relations (5)	4.31	.65	4.24	.61	4.17	.61	4.41	.63
Employee Support/Admin. Services (16)	4.13	.69	4.18	.64	4.06	.55	4.29	.54
Legal Requirement/Compliance (8)	4.06	.70	3.81	.82	3.78	.78	4.12	.67
Labor/Union Relations (5)	3.28	.94	3.15	.93	3.15	.92	3.28	.96
Policy Adherence (5)	4.22	.70	4.04	.71	4.02	.72	4.26	.66

***p < .05**

****p < .01**

***p < .001

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