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Sophie De Winne^a, Jeroen Delmotte^a, Caroline Gilbert^a & Luc Sels^a

^a Faculty of Economics and Business, KU Leuven, Belgium

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Comparing and explaining HR department effectiveness assessments: evidence from line managers and trade union representatives

Sophie De Winne*, Jeroen Delmotte¹, Caroline Gilbert and Luc Sels

Faculty of Economics and Business, KU Leuven, Belgium

We compare and explain effectiveness assessments of two HR stakeholders: line managers and trade union representatives. We examine whether they have the same preferences regarding the roles the HR department has to fulfil (Ulrich 1997). Next, we test which strong HRM system characteristics (Bowen and Ostroff 2004) are decisive in determining the perceived effectiveness of the HR department in the preferential roles. With these analyses we examine whether the HR roles and strong HRM system characteristics are equally important to different stakeholders. Results show that the perceived effectiveness of the HR department in its operational roles is decisive in trade union representatives' general HR effectiveness assessment. For line managers, process-oriented roles are crucial. Next, if the HR department scores high on strong HRM system characteristics, it is perceived as more effective in its HR roles. Yet, the importance of specific HRM system characteristics depends on the role and stakeholder.

Keywords: HR department effectiveness; HR roles; line management; strong HRM system; trade unions

Introduction

Since the theoretical work of Wright and MacMahan (1992) in which they define strategic HRM (SHRM) as 'the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals' (Wright and MacMahan 1992, p. 298), different normative and theoretical frameworks have been developed to increase our understanding of how the HR department can contribute to the successful implementation of firm strategy, and subsequently to firm performance. These frameworks usually start from a shareholder's perspective (Wall and Wood 2005; Purcell and Kinnie 2007), and tend to overlook other HR stakeholders or implicitly assume that the contribution of HRM to firm performance is the primary objective for other HR stakeholders too. They presuppose that all HR stakeholders are willing to work together with the HR department to achieve the shareholder's objective (Caldwell 2003) and will react in the same manner to the introduction of HR practices. However, in line with a political influence perspective (Kanter and Brinkerhoff 1981), one can argue that organizations are battlegrounds where various internal and external stakeholders compete to influence critical decision criteria in a way that furthers their own interests. From this point of view, different HR stakeholders might have different HR priorities and preferences stemming from their different roles, responsibilities and positions in the organization (Tsui and Milkovich 1987). This implies that the assumptions of these frameworks do not necessarily hold.

*Corresponding author. Email: sophie.dewinne@kuleuven.be

The purpose of this article is to test whether different HR stakeholders indeed have the same HR preferences. We therefore rely on two frameworks that are exemplary for and often cited within the SHRM debate, i.e. the HR role model of Ulrich (1997) and the HRM system strength framework of Bowen and Ostroff (2004). We focus on two stakeholders that are crucial to the process of HRM implementation and communication, but do have different self-interests. The major goal of line managers is to realize output in line with organizational strategy, whereas the purpose of trade union representatives is to promote and defend employees' interests at the organizational level. Given these different objectives, one could expect different HR priorities and preferences.

We examine whether the HR roles, as put forward by Ulrich (1997), and the strong HRM system characteristics, as developed by Bowen and Ostroff (2004), are (equally) important to line managers and trade union representatives in determining the HR department's general effectiveness. We therefore rely on samples of 111 Belgian line managers and 363 Belgian trade union representatives. By means of regression analyses, we first examine which of the four HR roles (Ulrich 1997) are decisive for each stakeholder in determining the perceived general effectiveness of the HR department. We thereby want to test whether both stakeholders have the same preferences regarding the roles the HR department has to fulfil. Next, we test which characteristics of a strong HRM system (Bowen and Ostroff 2004) are important in determining the perceived effectiveness of the HR department in the preferential HR roles. Doing so, we examine which HRM system characteristics are decisive in meeting the HR stakeholders' role preferences.

We contribute to existing literature in two ways. First, we empirically test the validity of two often-cited frameworks in HRM–performance literature and their underlying assumptions. Second, with these analyses we provide insights in antecedents of general HR department effectiveness assessments. Existing research reports on the existence of different stakeholders' opinions, but does not go into how these effectiveness assessments come about.

Literature review: effectiveness assessment of the HR department

To date, little empirical work focuses on HR department effectiveness assessments from different stakeholders, i.e. 'constituencies which are users of or exert control over the HR department' (Tsui 1987, p. 37). Yet, the HR department has a support function and thus several groups of internal customers or stakeholders depend on it for products (e.g. training programmes, appraisal forms) or services (e.g. problem solving, HR advice). These stakeholders include line managers, top management, employees and trade unions (Pauwe 2009). Conversely, HRM depends on these stakeholders as they are critical for the HR decision-making processes and shape the HR departments' image and decision-making power (Tsui 1990). Insights in effectiveness assessments of these stakeholders are thus important.

Existing research is mainly descriptive and fragmentary. The main conclusion is that different stakeholders indeed have different expectations about the HR department's roles and use different criteria to judge its effectiveness. Moreover, the opinions of HR managers themselves do not necessarily go hand in hand with the opinions of other stakeholders. These results are contradictory to the assumptions of universal preferences behind the aforementioned normative and theoretical frameworks.

Different stakeholders, different evaluations

Most of the existing studies question a single stakeholder, comparing HR managers' views with the impressions of line managers (e.g. Mitsuhasi, Park, Wright and Chua 2000; Wright, MacMahan, Snell and Gerhart 2001) or employees (e.g. Gibb 2001; Geare, Edgar and Deng 2006). An important finding in this respect is that self-evaluations of HR managers are consistently more favourable compared to HR evaluations by other internal stakeholders (Mitsuhashi et al. 2000; Wright et al. 2001; MacLean 2006). According to Geare et al. (2006), this can be explained based on attribution theory. Actors (the HR department) attribute success to their actions, and failure to external factors. Observers (all other stakeholder groups) attribute success to external factors, and failure to the actors or their actions.

Some studies gather multiple stakeholders' opinions on the functioning of the HR department (e.g. Tsui 1987, 1990; Buyens and De Vos 2001; Teo 2002; Teo and Crawford 2005). The stakeholder approach suggests that stakeholders might differ regarding their evaluation of the HR department's effectiveness. This is based on the proposition that the HR department is not able to satisfy all stakeholders simultaneously (Jobson and Schneck 1982). It is likely that the HR department will try to first meet the needs and wishes of the stakeholders that have the most control over their (financial) resources (according to resource dependency theory) or that have the most power based on their central role in the organization (according to strategic contingency theory) (Tsui 1990). The results of Tsui's (1990) study confirm this line of reasoning. She finds that executives rate the HR department more favourably than managers. Managers, in turn, rate the HR department more favourably than employees.

Different stakeholders, different expectations

As Wright et al. (2001) point out, differences in effectiveness evaluations between HR managers and line managers might be ascribed to several factors, one of them being differences in expectations regarding the roles the HR department has to fulfil. Whereas the HR department might focus especially on fulfilling the strategic partner role, it is possible that line managers expect the HR department to be an excellent administrative expert. These different and potentially conflicting expectations of the stakeholders regarding the HR department stem from their different roles, responsibilities and positions in the organization (Tsui and Milkovich 1987). Each stakeholder is primarily concerned with the fulfilment of its self-interests. Consequently, different stakeholders will have different priorities and will thus judge the HR department's effectiveness based on these priorities (Geare et al. 2006). Existing studies have investigated whether various stakeholders expect different things when it comes to priorities regarding HR activities and the roles the HR department should perform to deliver value to the organization.

Regarding priorities in HR activities, Tsui and Milkovich (1987) observe systematic differences in stakeholder preferences. Executives consider legal compliance to be the most important HR activity. Managers and professional employees assign the greatest importance to the administrative service of the HR department, whereas hourly employees consider compensation and employee relations to be most important. King and Bishop (1991) conclude that personnel managers' top three of HR priorities are compensation, establishing and maintaining work relationships, and training and development. Line managers' top three, however, are planning, staffing and improving work relations. Finally, Wright et al. (2001) conclude that line and HR executives agree on the relative importance of various HR services.

Regarding HR roles, Sanders and van der Ven (2004) conclude that employees and line managers consider the roles of administrative expert and employee champion (operational roles) to be important, whereas HR managers value the roles of strategic partner and change agent (strategic roles). In line with these findings, Buyens and De Vos (2001) find remarkable differences between different stakeholder groups. According to top managers, the HR department adds value through the management of transformation and change. Line managers have 'a rather traditional view' of the HR department. For them the added value resides in the provision of functional HR services such as selection and training. HR managers most frequently mention 'management of the employee' as the area in which the HR department delivers value to the organization.

Different stakeholders, different evaluation criteria

Finally, Tsui (1987) showed that different stakeholder groups use diverse criteria to evaluate the effectiveness of the HR department. The criteria used by each stakeholder group are those that are relevant to their own position. Tsui (1987) distinguishes between universalistic and particularistic criteria. She concludes that the extent to which the HR department succeeds in developing a positive company image and in providing quality of service are criteria important to all constituencies (managers at the corporate level, line executives and managers in the business units), whereas 'being able to engender trust and confidence in the HR department' is particularly important to line executives and managers in the operational business units.

Empirical gaps

Although existing research generates useful insights into how the HR department is perceived and what is expected by different stakeholders, it remains descriptive and fragmented. Some of these studies go back years (e.g. Tsui 1987; Tsui and Milkovich 1987). At that time, the focus on the strategic contribution of the HR department was limited, and frameworks such as the HR role model of Ulrich (1997) and the strong HRM system framework (Bowen and Ostroff 2004) did not yet exist. Whereas Tsui and Milkovich (1987) observed differences between stakeholders in the relative importance given to HR activities, the more recent study of Wright et al. (2001) did not. This might indicate that times have indeed changed, and that – today – different stakeholders might share the same expectations regarding the HR department (as is assumed in SHRM models). In more recent studies, on the other hand, the choice of stakeholders and evaluation criteria is rarely substantiated from an SHRM point of view. Moreover, there is inconsistency in evaluation criteria and the measurement instruments used lack theoretical foundation. It is thus not clear how the results of existing research can be integrated within the debate on SHRM. Finally, it is unclear how general effectiveness assessments come about. Existing research provides insights in the existence of different opinions, but does rarely give information on antecedents of these different opinions.

In response to these empirical gaps, we want to grasp the logic behind general effectiveness assessments of the HR department. First, we want to get an insight into the role preferences of two crucial actors in HRM implementation and communication, i.e. line managers and trade union representatives. Second, we want to see whether these stakeholders assess the perceived effectiveness of the HR department in these preferential roles by means of characteristics typical for a strong HRM system. Doing so, we rely on

measures based on previous theoretical work and concepts from SHRM literature (Ulrich 1997; Bowen and Ostroff 2004).

Conceptual framework and hypotheses

Our conceptual framework is visualized in Figure 1. We focus on the perceived general effectiveness of the HR department as the dependent variable. General HR department’s effectiveness is defined as ‘the full meeting of stated goals and objectives by the HR department’.

According to Ulrich (1997), the HR department must fulfil four different HR roles. In each role, other goals, activities and deliverables are central (Table 1). This diversity in roles allows us to test whether line managers and trade union representatives have or do not have the same role preferences.

We argue that stakeholders evaluate the effectiveness of the HR department in its different HR roles based on the activities and deliverables in each of these four roles. For each role, they make a comparison between what the HR department states and what it actually achieves. The result of this comparison determines their effectiveness perception regarding these roles. Subsequently, these perceptions influence the perceived general HR department’s effectiveness. We expect this relationship to be positive, for both line managers and trade union representatives, and rely on the confirmation paradigm in marketing literature to underpin this relationship (East 1997). If the perceived effectiveness of the HR department in a specific role is considered to be good or excellent, it means that it meets the expectations of its customers in this role. Subsequently, HR customers will perceive the HR department in general to be more effective.

Hypothesis 1: The higher the perceived effectiveness of the HR department in its roles of strategic partner, change agent, employee champion and administrative expert, the higher the perceived general effectiveness of the HR department. We expect this relationship to hold for both line managers and trade union representatives.

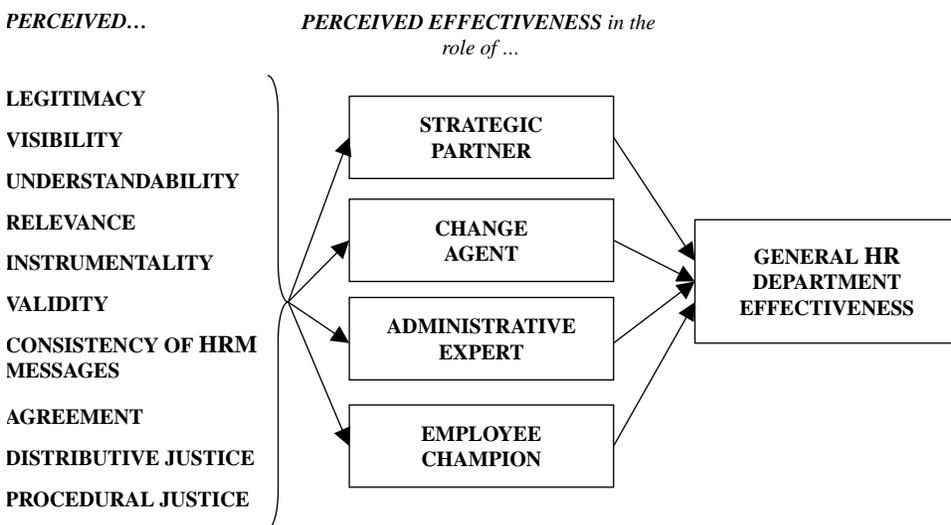


Figure 1. Conceptual framework.

Table 1. HR roles.

<i>Role</i>	<i>Goals</i>	<i>Activities</i>	<i>Deliverables</i>
Strategic partner <i>Focus on: process and strategic issues</i>	Aligning HR and firm strategy	<ul style="list-style-type: none"> • Strategy formulation • Developing HR practices that help in successfully implementing firm strategy 	<ul style="list-style-type: none"> • HR strategy • HR practices sending consistent messages as to what behaviour is desired
Change agent <i>Focus on: people and strategic issues</i>	Facilitating change	<ul style="list-style-type: none"> • Developing HR practices that create the capacity to change • Managing change 	<ul style="list-style-type: none"> • HR strategy and HR practices creating the capacity to change
Administrative expert <i>Focus on: process and operational issues</i>	Developing and constantly optimizing an efficient HR infrastructure	<ul style="list-style-type: none"> • HR process re-engineering 	<ul style="list-style-type: none"> • Efficient and effective HR processes
Employee champion <i>Focus on: people and operational issues</i>	Enhancing employees' motivation and commitment	<ul style="list-style-type: none"> • Providing employees with the necessary means to do their job • Recognizing and rewarding employees' contribution 	<ul style="list-style-type: none"> • HR practices motivating employees

Source: Based on Ulrich (1997).

However, we do expect differences in the relative importance of the stakeholders' role effectiveness perceptions in determining perceived general effectiveness of the HR department. Different stakeholders will have different expectations, linked to their daily role and activities within the firm. In evaluating the HR department, they will be guided by their self-interests, and use criteria that are relevant to their own role (Tsui 1987; Tsui and Milkovich 1987; Geare et al. 2006). The purpose of trade union representatives is to promote and defend employees' interests, especially regarding compensation and work conditions. They mainly focus on operational issues. Therefore, we expect the operational roles (administrative expert and employee champion) to be more important for trade union representatives in evaluating HRM. Alternatively, the major goal of line managers is to realize output in line with organizational strategy. Consequently, we argue that they will be more interested in the process-oriented roles (administrative expert and strategic partner) in evaluating HRM. Effective and efficient HR processes will support them in successfully executing their operational HR tasks or people management and help them obtain their business objectives.

Hypothesis 2: The relative importance of the perceived effectiveness in the four roles in determining general HR department's effectiveness is different for line managers as compared to trade union representatives.

Hypothesis 2a: For line managers, we expect the process-oriented roles of strategic partner and administrative expert to be more important in determining general HR department's effectiveness than the people-oriented roles of change agent and employee champion.

Hypothesis 2b: For trade union representatives, we expect the operational roles of administrative expert and employee champion to be more important in determining general HR department's effectiveness than the strategic roles of strategic partner and change agent.

On the basis of the work of Tsui (1987), one can argue that different stakeholders use different evaluation criteria to assess the effectiveness of the HR department in their preferential roles. For the choice of evaluation criteria, we rely on the strategic and theoretical work of Bowen and Ostroff (2004). According to Bowen and Ostroff (2004, p. 204), organizations should implement strong HRM systems 'that send signals to employees that allow them to understand the desired and appropriate responses and form a strong climate, i.e. a collective sense of what is expected'. A strong HRM system is characterized by *distinctiveness* (visibility, understandability, legitimacy of authority, relevance), *consistency* (instrumentality, validity, consistent HRM messages) and *consensus* (agreement among HR decision makers, fairness) (Bowen and Ostroff 2004).

If an HRM system meets these criteria, the likelihood of building a strong organizational climate increases. A strong climate implies that the messages sent to stakeholders by the HRM system – i.e. the HR department itself or the HR practices – are clear, consistent and unambiguous. If the HR department succeeds in sending this type of messages directly or through its HR practices, the likelihood that line managers and trade union representatives perceive the HR department as more effective in the different preferential roles increases.

Hypothesis 3: If the HR department succeeds in sending clear, consistent and unambiguous messages, the likelihood increases that the perceived effectiveness of the HR department in the different preferential roles is high.

The relative importance of these characteristics, however, might vary depending on the role under consideration. The deliverables in each role are different. Therefore, we expect that line managers and trade union representatives will evaluate each role according to

these deliverables. Procedural justice might be very important to the role of administrative expert since it is a feature of qualitative HR procedures. However, in the role of change agent, agreement might be more important because employees need clear messages in turbulent times.

Next, we expect differences between line managers and trade union representatives regarding the criteria used to assess the HR department's effectiveness in a particular role. In this case, the basis for evaluation is the stakeholder's personal role. Trade union representatives, for example, might be concerned with (procedural and distributive) justice in the role of administrative expert because that is one of the main foci in their policy and one of their reasons of existence. Line managers, in turn, might be more concerned with relevance of HR practices because they have to successfully implement firm strategy. HR practices relevant to organizational strategy are likely to help them to achieve this objective.

Hypothesis 4: The relative importance of the different characteristics is different depending on the role (Hypothesis 4a) and the stakeholder (Hypothesis 4b) under consideration.

Methodology

Sample and data collection

An online survey was sent out to two samples. The first sample consisted of 128 Belgian line managers of one HR services organization offering a wide range of HR services to organizations. The organization has a staff of about 1000 people, comprising 259 line and top managers. In total, 111 line managers participated (87% response rate). The second sample consisted of 5800 Belgian trade union representatives of different organizations. After a one-month period, usable responses were obtained from 1562 trade union representatives (26.9% response rate).

Measures

To develop the instrument to measure the characteristics of a strong HRM system, we thoroughly followed the scale development guidelines provided by DeVellis (2003), Hinkin (1995) and Schwab (1980). We developed items for each characteristic using a deductive approach. In describing fairness, Bowen and Ostroff (2004) distinguish between procedural, distributive and interactional justice. According to Folger and Cropanzano (1998), interactional justice is frequently treated as an aspect of procedural justice. Therefore, we only distinguish procedural from distributive justice. However, whereas Bowen and Ostroff (2004) consider fairness as one characteristic, we include procedural and distributive justice as separate characteristics. This explains why we have 10 characteristics (see Table 2 for definitions) and Bowen and Ostroff (2004) only have nine characteristics.

The item development process resulted in an initial pool of 120 items, i.e. approximately 12 items per construct. We assessed item content validity following the two-stage method used by MacKenzie, Podsakoff and Fetter (1991). On the basis of the advice of 10 experts in HRM, the initial pool of items was reduced to 68 items. The items were presented in random order to the respondents of the line managers' sample. For each item we used a Likert-type scale ranging from 1 (entirely disagree) to 5 (entirely agree). After data collection, the selected pool of 68 items was subjected to item analysis. A total of 50 items were retained and included in the questionnaire for the trade union representatives.

Table 2. Construct definitions.

1. <i>Distinctiveness</i>	
1.1. Visibility	The degree to which internal customers have a clear idea of HR practices, know which HR programmes are implemented and what can and cannot be expected from the HR department.
1.2. Understandability	The degree to which internal customers understand how the practices developed by HR work, HR interventions are easy to understand and HR solutions are simple, clear and transparent. It refers to the absence of ambiguity of HR practice content (Bowen and Ostroff 2004).
1.3. Legitimacy (of authority)	The degree to which the HR function is perceived as a high-status and high-credibility function (Bowen and Ostroff 2004).
1.4. Relevance	The degree to which HR initiatives and practices are perceived as useful, significant and relevant (supporting achievement of organizational goals) and HR is capable of anticipating on daily problems and needs.
2. <i>Consistency</i>	
2.1. Instrumentality	The degree to which HR practices and programmes positively influence levels of motivation, competence and empowerment (Delery and Shaw 2001) and are thus able to steer behaviour of employees in the desired direction.
2.2. Validity	The degree to which there is an agreement between what HR practices purport to do and what they actually do.
2.3. Consistency of HRM messages	The degree of compatibility between HR practices (Baron and Kreps 1999), of continuity and stability of HR practices over time and of agreement between words and deeds.
3. <i>Consensus</i>	
3.1. Agreement among principal HR decision makers	The degree to which HR decision makers share the same vision and are on the same wavelength.
3.2. Procedural justice	The degree to which the process by which decisions are reached or outcomes are allocated is fair (Folger and Cropanzano 1998).
3.3. Distributive justice	The degree to which the allocation of benefits and resources (the result of a decision) is fair (Folger and Cropanzano 1998).

On the basis of the data gathered between both samples, the measurement instrument has been thoroughly validated in line with the theoretical work of Bowen and Ostroff (2004) (Delmotte, De Winne and Sels 2012). Table 3 describes the process and results of the validity and reliability tests. The results of the exploratory and the third-order confirmatory analysis are presented in Tables 4–7 and Figure 2.

A seven-factor solution (visibility, relevance, consistency, validity, agreement, procedural justice and distributive justice) is retained and used for further analysis. We opt for this lowest level of the third-order CFA, because it allows us to thoroughly examine the preferences of line managers and trade union representatives, as well as their relative importance (e.g. although they are all sub-dimensions of consensus, it is possible that trade union representatives find procedural and distributive justice more important in the role of employee champion as compared to agreement). Moreover, in the present study we limit the trade union sample to *private service organizations with an HR department and more than 100 employees*. These restrictions are made because we had to be sure that the firm

Table 3. Scale development process and results of validity and reliability tests.

Method	Results
<i>Validity tests</i>	
Content validity	<p data-bbox="444 236 463 795"><i>Stage 1:</i> Six experts in the field of HRM reviewed and evaluated the initial item pool and the corresponding constructs. The main purpose was to enhance readability, clarity and relevance of the items. The experts' advice was used to review the item content as well as to add or delete items.</p> <p data-bbox="463 236 550 795"><i>Stage 2:</i> Four other experts reviewed the construct definitions and repeated the initial item review. These experts were also asked to classify each randomly ordered item to the intended construct. Only those items that were assigned to the appropriate construct by at least three of the four judges were retained.</p> <p data-bbox="550 236 602 795"><i>Stage 1:</i> Exploratory factor analysis (EFA) on the line managers' sample.</p> <p data-bbox="602 236 681 795"><i>Stage 2:</i> Third order confirmatory factor analysis (CFA) on the trade union representatives' sample.</p>
Construct validity	<p data-bbox="708 182 813 795"><i>Stage 1:</i> Eight of the ten dimensions of Bowen and Ostroff (2004) result from the EFA (visibility, legitimacy, relevance, justice and procedural justice).</p> <p data-bbox="813 182 918 795"><i>Stage 2:</i> The third order CFA largely confirmed the underlying factor structure of the EFA in Stage 1. Legitimacy and relevance, however, load on one factor instead of two different factors (see Figure 2 and Table 7).</p>
<i>Reliability test</i>	
Reliability	The resulting scales and alphas are shown in Tables 4–6.

Table 4. Exploratory factor analysis – dimension distinctiveness.

Items	Intended construct	Factor loadings EFA LM			Deleted items after third-order CFA TUR
		F1	F2	F3	
<i>Kaiser's measure of sampling adequacy = 0.87</i>					
The HR department undertakes exactly those actions that meet our needs.	Relevance	0.88			X
The HR staff has enough authority to get their ideas accepted.	Legitimacy	0.76			X
The HR department in this organization has a high added value.	Relevance	0.73			X
In this organization HRM is synonymous with excellent work.	Legitimacy	0.71			X
In this organization the HR function is not a full management function. (R)	Legitimacy	0.57			X
In general, the HR staff is met with much appreciation in this organization.	Legitimacy	0.57			X
<i>Cronbach's alpha</i>					
		0.86			
In this organization, employees experience implemented HR practices as relevant.					
Many of the practices introduced by the HR department are useless. (R)	Relevance		0.79		
Employees in this organization often wonder about the usefulness of specific HR practices. (R)	Relevance		0.78		
	Relevance		0.66		
<i>Cronbach's alpha</i>					
		0.75			0.81
The actual functioning of the HR department is a mystery to a large part of the employees.					
Employees are regularly informed about the initiatives taken by the HR department.	Visibility			0.80	
The HR department works too much behind the scenes. (R)	Visibility			0.70	
In this organization it is clear what belongs to the tasks and what's outside the field of the HR department.	Visibility			0.68	
	Visibility			0.39	
<i>Cronbach's alpha</i>					
		0.71			0.66 ^a
Eigenvalues					
	7.95	5.52	1.39	1.04	
Explained variance (%)					
	Total: 61.2	42.5	10.7	8.00	

Notes: (R), reverse coding; LM, line managers' sample; TUR, trade union representatives' sample. The numbers in bold are the factor loadings. The other numbers (not in bold) refer to the Cronbach's alpha of the resulting scale

^a Although less than Nunnally's (1978) recommended 0.70 cutoff, internal consistency coefficients greater than or equal to 0.60 are considered to be acceptable for an exploratory study (Robinson, Shaver and Wrightsman 1991; Hair, Anderson, Tatham and Black 1998).

Table 5. Exploratory factor analysis – dimension consistency.

Items	Intended construct	Factor loadings EFA LM			Deleted items after third-order CFA TUR
		F1	F2	F3	
<i>Kaiser's measure of sampling adequacy = 0.88</i>					
The suggestions, procedures and practices developed by the HR department, actually add value to the functioning of the organization.	Instrumentality	0.79			X
The HR practices in this organization do not contribute to employees' motivation. (R)	Instrumentality	0.77			
The compensation system is developed in such a way that desired performance is reinforced.	Instrumentality	0.76			X
The HR instruments for employee appraisal succeed in encouraging the desired behaviour.	Instrumentality	0.74			X
The HR practices implemented in this organization sound good in theory, but do not function in practice. (R)	Validity	0.72			
The appraisal procedure developed by the HR department has in practice other effects than the intended effects. (R)	Validity	0.65			
There is a wide gap between intended and actual effects of HR initiatives. (R)	Validity	0.64			
One can have faith that the HR practices realize the intended purpose.	Validity	0.50			X
The HR department does not succeed in actively changing employees' behaviour. (R)	Instrumentality	0.44			
<i>Cronbach's alpha</i>					
		0.86			0.70
<i>In this organization HR policy changes every other minute. (R)</i>					
The various HR initiatives send inconsistent signals. (R)	Consistent HRM messages				0.70
The successive initiatives introduced by the HR department often clash badly. (R)	Consistent HRM messages				0.70
In this organization there is clear consistency of HRM messages between words and deeds of the HR department.	Consistent HRM messages				0.68
	Consistent HRM messages				0.68
<i>Cronbach's alpha</i>					
			0.70		0.70
<i>Eigenvalues</i>					
	6.66	5.12	1.54		
<i>Explained variance (%)</i>					
	Total: 51.2	39.4	11.8		

Notes: (R), reverse coding; LM, line managers' sample; TUR, trade union representatives' sample. The numbers in bold are the factor loadings. The other numbers (not in bold) refer to the Cronbach's alpha of the resulting scale.

Table 6. Exploratory factor analysis – dimension consensus.

<i>Kaiser's measure of sampling adequacy = 0.87</i> Items	Factor loadings EFA LM			Deleted items after third-order CFA TUR	
	<i>Intended construct</i>	F1	F2		F3
In this organization the distribution of bonuses and other rewards is perceived as fair by employees.	Distributive justice	0.78			
In this organization employees consider promotions as fair.	Distributive justice	0.72			
If employees perform well, they get the necessary recognition and rewards.	Distributive justice	0.70			
In this organization rewards are clearly related to performance.	Distributive justice	0.70			
In this organization the results of the yearly appraisals are generally considered as fair.	Distributive justice	0.66			X
<i>Cronbach's alpha</i>		0.83			0.75
The HR department regularly takes decisions based on favouritism. (R)	Procedural justice		0.88		
Some employees in this organization get a preferential treatment because they are friends with HR staff. (R)	Procedural justice		0.87		
The HR department takes decisions with two shapes and sizes in this organization. (R)	Procedural justice		0.79		X
The HR department makes decisions in an impartial way in this organization.	Procedural justice		0.44		X
<i>Cronbach's alpha</i>			0.81		0.80
HR management and line management are clearly on the same wavelength.	Agreement			0.79	
All HR staff members in this organization mutually agree with the manner in which employees are managed.	Agreement			0.71	
Top management and HR management clearly share the same vision.	Agreement			0.69	
Management unanimously supports HR policy in this organization.	Agreement			0.69	
HR management in this organization is established by mutual agreement between HR management and line management.	Agreement			0.58	
<i>Cronbach's alpha</i>				0.76	0.71
Eigenvalues					
Explained variance (%)	8.55	4.83	2.06	1.66	
	Total: 61.1	34.5	14.7	11.9	

Notes: (R), reverse coding; LM, line managers' sample; TUR, trade union representatives' sample. The numbers in bold are the factor loadings. The other numbers (not in bold) refer to the Cronbach's alpha of the resulting scale.

Table 7. Confirmatory factor analysis (CFA): goodness-of-fit measures of the third order factor model.

	Theoretical model (cf. EFA on the line managers' sample)	Optimized model
Bentler's comparative fit index (CFI)	0.83	0.90
RMSEA	0.06	0.05
SRMR	0.06	0.05

has an HR department and that the role of trade union representatives is similar in all firms. In Belgium, the role of trade unions is determined by law. Only firms with 100 employees or more have to install a firm council in which employees and employer are represented. The presence of a firm council enhances the likelihood that trade union representatives have good knowledge of the HR department's functioning and that they can actually influence HR decisions. Moreover, by focusing on private service firms we minimize extraneous variation and maximize comparability with the line managers' sample. The final trade union sample consists of 363 observations. The Cronbach's alphas for the different factors based on the limited trade union representatives' sample are all good (Nunnally 1978) ($\alpha_{\text{visibility}} = 0.65$; $\alpha_{\text{relevance}} = 0.82$; $\alpha_{\text{consistencyHRMmessages}} = 0.71$; $\alpha_{\text{validity}} = 0.72$; $\alpha_{\text{agreement}} = 0.74$; $\alpha_{\text{distributivejustice}} = 0.73$; $\alpha_{\text{proceduraljustice}} = 0.82$).

In addition, single item questions on the effectiveness of each of Ulrich's four HR roles and on the general effectiveness of the HR department were included. Respondents were asked to assess the effectiveness of the HR department in fulfilling each of the four roles of

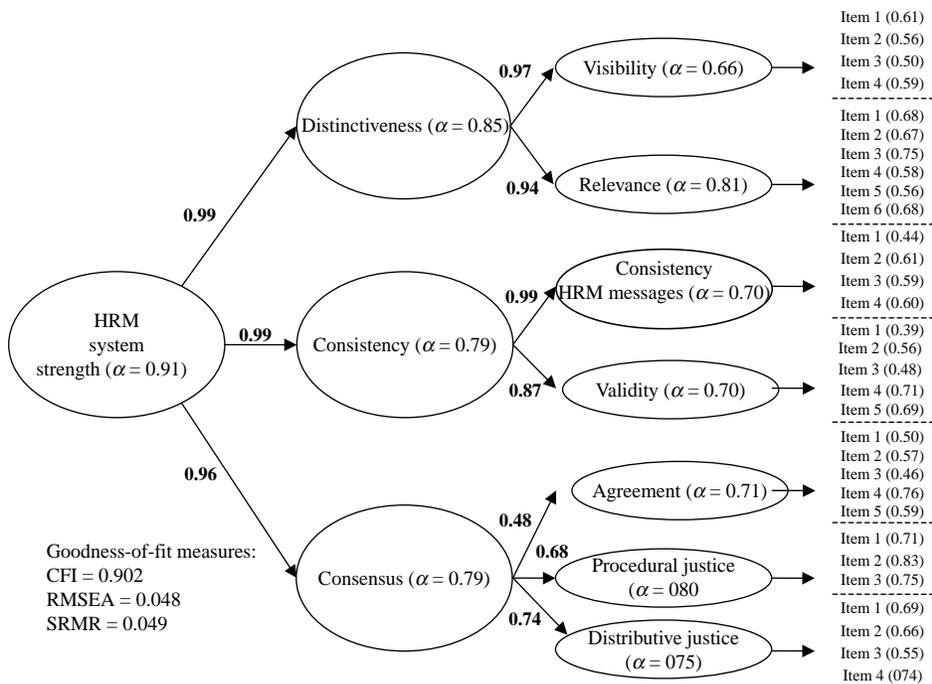


Figure 2. Third order confirmatory factor analysis – trade union representatives' sample.

Ulrich (1997) using a seven-point scale from 1 = 'not at all effective' to 7 = 'very effective'. A detailed description of each role, in line with the model of Ulrich (cf. Table 1), was provided to enhance content validity. General effectiveness was measured by asking the respondents to score (from 0 to 10) the effectiveness of the HR department in general. The use of single-item scales does not pose problems in this case since the object that has to be rated (the HR department of the organization) is concrete singular (Rossiter 2002).

We control for length of service in the company, educational and hierarchical level, as each of these variables might influence perceived HR role effectiveness and general effectiveness. For instance, as employees are promoted to higher positions, they may become more satisfied with the HR department. Employees with high seniority might be more satisfied as well. Highly educated employees, in turn, might be less satisfied because they might have higher expectations. For the trade union representatives' sample, we also introduce control variables for the involvement of the trade union representatives in HRM and the collaboration between management and trade union representatives in general. In a mutual gains or partnership environment, trade union representatives might have more positive effectiveness assessments because they are more involved and are thus partly evaluating themselves (Metcalf 2003).

Results

Descriptive statistics

Tables 8 and 9 show the descriptive statistics of and correlations between perceived general HR department effectiveness, perceived effectiveness of the HR department in the HR roles and perceived HRM system strength. In general, line managers perceive the HR department to be more effective than trade union representatives (mean overall scores of, respectively, 6.77/10 and 5.46/10). They are also more positive about the effectiveness of the HR department in its different roles and regarding the HRM system characteristics than trade union representatives (with one exception: agreement).

The mean scores also suggest differences in perceptions of relative HR role effectiveness between both stakeholders. According to the trade union representatives, HR is most effective in its roles as administrative expert (mean score of 6.05/10) and employee champion (mean score of 5.29/10). According to line managers, the HR department excels in its administrative expert role and strategic partner role (with mean scores of, respectively, 6.82/10 and 5.55/10). The HRM system characteristics scoring highest are agreement (6.52/10) and consistency (5.86/10) for trade union representatives, and procedural justice (7.95/10) and consistency (7.00/10) for line managers.

Regression analyses

Table 10 summarizes the results of the regression analyses for the trade union data, and Table 11 for the line manager data. The perceived effectiveness of the HR department in its two operational roles (administrative expert and employee champion) and in its role of change agent has a positive and significant influence on the perceived general effectiveness of trade union representatives. Line managers' perceptions of general effectiveness of the HR department, in contrast, are positively affected by the perceived effectiveness of the HR department in the roles of administrative expert and strategic partner. Our first hypothesis is thus partly confirmed. We expected every role to be important, but instead we found evidence for the existence of *neutral roles* (roles where it does not really matter what HR does or does not) and *satisfying roles* (roles where the

Table 8. Descriptive statistics and correlations: trade union representatives' sample.

	Mean (/10)	SD	1	2	3	4	5	6	7	8	9	10	11
1. Perceived general HR department effectiveness	5.46	1.85	1.00										
2. Administrative expert	6.05	1.85	0.60	1.00									
3. Employee champion	5.29	2.07	0.78	0.59	1.00								
4. Change agent	4.29	2.06	0.52	0.52	0.51	1.00							
5. Strategic partner	4.57	2.01	0.48	0.51	0.49	0.72	1.00						
6. Visibility	5.33	1.52	0.60	0.47	0.60	0.43	0.49	1.00					
7. Relevance	5.28	1.38	0.75	0.55	0.70	0.58	0.54	0.66	1.00				
8. Validity	4.91	1.38	0.47	0.42	0.43	0.40	0.43	0.54	0.66	1.00			
9. Consistency	5.86	1.50	0.60	0.57	0.56	0.44	0.46	0.63	0.68	0.51	1.00		
10. Agreement	6.52	1.52	0.37	0.34	0.28	0.33	0.36	0.30	0.36	0.28	0.39	1.00	
11. Distributive justice	4.40	1.50	0.50	0.38	0.52	0.46	0.49	0.52	0.62	0.51	0.48	0.31	1.00
12. Procedural justice	5.63	2.00	0.56	0.43	0.53	0.30	0.33	0.47	0.55	0.50	0.52	0.24	0.47

Note: All correlations are significant at the $p \leq 0.001$ level.

Table 9. Descriptive statistics and correlations: line managers' sample.

	Mean (/10)	SD	1	2	3	4	5	6	7	8	9	10	11
1. Perceived general HR department effectiveness	6.77	1.05	1.00										
2. Administrative expert	6.82	1.73	0.49***	1.00									
3. Employee champion	5.35	1.80	0.36***	0.39***	1.00								
4. Change agent	5.16	1.69	0.42***	0.30**	0.37***	1.00							
5. Strategic partner	5.55	1.81	0.55***	0.27**	0.47***	0.73***	1.00						
6. Visibility	5.75	1.39	0.44***	0.43***	0.41***	0.40***	0.34***	1.00					
7. Relevance	6.31	1.15	0.61***	0.41***	0.53***	0.52***	0.61***	0.52**	1.00				
8. Validity	6.23	1.33	0.39***	0.22*	0.54***	0.43***	0.45***	0.36***	0.69***	1.00			
9. Consistency	7.00	1.03	0.51***	0.39***	0.40***	0.43***	0.45***	0.43***	0.57***	0.53***	1.00		
10. Agreement	6.58	1.24	0.42***	0.13	0.36***	0.56***	0.63***	0.38***	0.57***	0.47***	0.35***	1.00	
11. Distributive justice	5.73	1.62	0.30**	0.40***	0.42***	0.27**	0.21*	0.29**	0.45***	0.60***	0.40***	0.38***	1.00
12. Procedural justice	7.95	1.65	0.18 [†]	0.30**	0.28**	0.32**	0.11	0.14	0.33**	0.42***	0.41***	0.21*	0.41***

[†] $p \leq 0.10$; * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$.

Table 10. Regression analyses trade union representatives' sample.

	<i>Perceived effectiveness in the role of ...</i>			<i>General effectiveness of the HR department</i>
	<i>Administrative expert</i>	<i>Employee champion</i>	<i>Change agent</i>	
<i>Independent variables</i>				
Visibility	0.05	0.18***	0.02	
Relevance	0.16*	0.37***	0.37***	
Validity	0.01	-0.14*	0.001	
Consistency	0.33***	0.06	0.10	
Agreement	0.12*	-0.02	0.10 [†]	
Distributive justice	-0.04	0.00	0.15*	
Procedural justice	0.09	0.11*	-0.04	
Administrative expert				0.16***
Employee champion				0.60***
Change agent				0.11*
Strategic partner				0.01
<i>Control variables</i>				
Level of education (primary education = ref. category)				
Secondary education	0.05	-0.01	-0.04	-0.04
Tertiary education, bachelor level	0.10	-0.03	-0.05	-0.08
Tertiary education, master level	0.12 [†]	-0.03	-0.09	-0.06
Hierarchical level (blue collar = ref. category)				
White collar	-0.01	0.02	0.06	-0.03
Executive level	-0.02	-0.01	0.03	0.01
Length of service	0.05	-0.03	0.03	-0.02
Involvement with HRM ^{††}	-0.04	0.03	0.03	0.04
Management-trade union collaboration ^{†††}	0.08	0.38***	-0.004	0.02
R ² and adjusted R ²	0.42 and 0.39	0.68 and 0.66	0.38 and 0.35	0.67 and 0.65

[†] $p \leq 0.10$; $*p \leq 0.05$; $**p \leq 0.01$; $***p \leq 0.001$.

^{††}In the trade union survey, we assessed the degree of trade union involvement in HRM directly by the use of a five-point Likert scale (1 = not involved; 5 = strongly involved).

^{†††}In the trade union survey, the variable 'management-trade union collaboration' was measured by a scale of nine items (Cronbach's alpha = 0.89).

Table 11. Regression analyses line managers' sample.

	Perceived effectiveness in the role of ...		General effectiveness of the HR department
	Administrative expert	Strategic partner	
<i>Independent variables</i>			
Visibility	0.24*	0.03	
Relevance	0.42**	0.26*	
Validity	-0.49**	0.02	
Consistency	0.17	0.25*	
Agreement	-0.17	0.54***	
Distributive justice	0.40**	-0.24*	
Procedural justice	0.03	-0.14	
Administrative expert			0.41***
Employee champion			-0.01
Change agent			0.01
Strategic partner			0.45***
<i>Control variables</i>			
Level of education (higher secondary education = ref. category)			
Higher education, not university	0.06	-0.17	0.05
Higher education, university	-0.05	-0.26*	0.13
Hierarchical level (1 = junior management, 0 = senior management)	0.15	0.11	-0.10
Length of service	0.07	-0.15 [†]	-0.09
R ² and adjusted R ²	0.43 and 0.36	0.63 and 0.58	0.45 and 0.40

[†] $p \leq 0.10$; * $p \leq 0.05$; ** $p \leq 0.01$; *** $p \leq 0.001$.

perceived effectiveness does have a positive influence on the perceived HRM effectiveness). The findings regarding the relative importance of the roles in determining perceived general effectiveness of each stakeholder correspond with the hypotheses. Hypotheses 2, 2a and 2b are all confirmed.

Several characteristics of strong HRM systems have a significant impact on the perceived effectiveness of HR in the preferential roles of trade union representatives and line managers. This corresponds with Hypothesis 3. Moreover, from Tables 10 and 11 we learn that the relative importance of the different characteristics is different depending on the role as well as the stakeholder under consideration. This is in line with Hypotheses 4a and 4b. In what follows, we provide possible explanations for the relationships we found.

Relevance is a universalistic criterion. It is important for both stakeholders and independent of the HR role under consideration. Relevance is defined as 'The degree to which HR initiatives and practices are perceived as useful, significant and supporting achievement of organizational goals, and the degree to which HR is capable of anticipating on daily problems and needs'. When scoring relevance, each stakeholder will give its own meaning to 'achievement of organizational goals' and 'daily problems and needs', depending on its own role in the organization and the HR role under consideration. As such, if a stakeholder considers the HR department to be taking actions that are relevant in a certain HR role, the HR department will be perceived as effective by that stakeholder. Next, we argue that the higher the perceived relevance, the higher the credibility, expertise

and empathy of the HR department will be evaluated. Consequently, the HR department receives credit for what it does and creates a climate of trust. Trust has already been related to perceived effectiveness in the past (e.g. Ramaseshan and Loo 1998) and seems to be a basic condition imposed by all stakeholders on the HR department.

The other criteria are all particularistic, i.e. typical for one stakeholder and one specific HR role. The majority of the relationships have the expected positive sign.

Administrative expert

The role of administrative expert is valued highly by both trade union representatives and line managers. A more strategic focus on HRM should thus not be introduced at the expense of the delivery of efficient and effective administrative services (Teo and Rodwell 2007). To trade union representatives, *consistency* and *agreement* are the two most important features of an effective administrative expert. Line managers, however, associate *validity*, *distributive justice* and *visibility* with an effective administrative expert.

Through the development and implementation of HR procedures and processes, the HR department sends powerful messages about what is important to the organization (Ulrich and Brockbank 2005). Messages that are *consistent* and *agreed upon* by the most important HRM decision makers indicate that HR has a clear vision and that this vision is shared throughout the organization. Consequently, the confidence in the HR department's expertise and competence will be strengthened. The likelihood that the HR department is perceived as effective by trade union representatives in its role of administrative expert thus increases.

In executing their HR tasks and responsibilities, line managers are dependent upon the efficiency and effectiveness of HR procedures and processes developed by the HR department. *Validity* shows a negative relationship with the line managers' perceived effectiveness in the role of administrative expert. Although this seems contradictory at first sight, it is possible that valid HR practices succeed to steer employees' in a certain direction which is not necessarily the direction in which the line manager of the business wants them to be steered. In other words, it is not because valid HR practices succeed in their objective that the line manager agrees on the objective that is put forward. This might be an indication of a very efficient and effective HRM, which is, however, not fine-tuned with the needs of the business unit or the leadership style of the line manager. This is in line with the results of Huselid, Jackson and Schuler (1997) who state that HR professionals usually score higher on technical HRM effectiveness and professional capabilities, i.e. 'expertise and skill relevant to performing excellently within a traditional HRM functional department' (pp. 175–177), than on SHRM effectiveness and business-related capabilities, i.e. 'the amount of business experience HRM staff members have had outside the functional specialty' (p. 177). We calculated the mean score on the perceived effectiveness in the role of administrative expert for a group of line managers who consider the HR practices to be highly relevant and highly valid. For this group the mean amounted to 7.50/10. For the group who considered the HR practices to be not at all relevant, but highly valid, the mean score was the lowest of all line managers: 5.36/10. This indicates that validity and relevance should go hand in hand to increase the effectiveness in the administrative expert role. *Distributive justice*, i.e. the perception that the outcomes of HR decisions are fair, makes it easier to line managers to communicate with employees, and to build an argumentation when employees are not satisfied. Distributive justice is a sign of well-considered procedures and thus of HR expertise, a crucial feature of an effective administrative expert. If the

HR department is *visible*, this will enhance the chances of communication between line managers and HR, which allows the latter to assist when a problem occurs and to anticipate problems. Contrary, if line managers know who HR is and what HR stands for, the likelihood that they feel themselves supported by an efficient and effective HR infrastructure increases.

Employee champion

Effectiveness in the role of employee champion is decisive in determining trade union representatives' perceived general effectiveness of the HR department. A good employee champion succeeds in motivating employees by providing them with the necessary means to do their job and by recognizing and rewarding employees' contribution. Characteristics associated with an effective employee champion are *visibility*, *validity* and *procedural justice*.

A necessary condition for the understanding of employees' concerns and needs and for getting an insight in their performance is the presence of HR on the shop floor. The HR department's *visibility* enhances the chances of communication between trade union representatives and HR on the one hand, and between line managers – people managers – and HR on the other hand. This communication allows the HR department not only to assist when a problem occurs and to anticipate problems, but also to develop motivating HR practices. *Validity* is negatively related to the trade union representatives' perceived effectiveness in the role of employee champion. This might be explained by the instrumental character of strategic HR practices that are widely implemented in organizations today, due to the focus on a strategic contribution of the HR department. Valid strategic HR practices succeed in steering employees' competencies, motivation and behaviour. It is, however, possible that in the perception of trade union representatives the 'human' factor, which is most important in the role of employee champion, is completely neglected. Here as well, the combination of low perceived relevance and high perceived validity results in the lowest score on the perceived effectiveness in the role of employee champion (3.77/10) (versus 6.70/10 for the group perceiving high relevance and high validity). The struggle for *procedural justice*, i.e. whether HR procedures are perceived as fair, is one of the reasons of existence of trade unions. Moreover, procedural justice has often been related to employees' organizational commitment and motivation (Cropanzano and Folger 1991; Cohen-Charash and Spector 2001). Since the ultimate goal of a good employee champion is to enhance employees' motivation and commitment, the likelihood that trade union representatives perceive the HR department as effective in its role of employee champion increases if procedural justice is achieved.

Change agent

In the evaluation of the effectiveness of the change agent role, *agreement* and *distributive justice* are important criteria to trade union representatives. In times of organizational change, there is a lot of uncertainty. The main goal of a good change agent is thus to create clarity and facilitate change.

If HR interventions are *agreed upon* in turbulent times, it will make trade union representatives more confident about HR knowing what it is doing in the changing environment. Consequently, it will be easier for them to clearly communicate about the HR interventions towards the employees at the shop floor. Next, the *outcomes of HR interventions* (e.g. who will be fired) should be considered as *fair* by trade union

representatives. If so, they will be more willing not only to accept the consequences of the changes, but also to communicate these consequences towards employees. In sum, *agreement* and *distributive justice* can make sure that change processes pass more smoothly, and that the likelihood of the HR department being perceived as an effective change agent increases.

Strategic partner

Agreement, *consistency* and *distributive justice* are important criteria for line managers to evaluate the effectiveness of the HR department in its strategic partner role. An effective strategic partner is able to develop and communicate an HR policy and strategy in line with firm's strategy. *Agreement* means that the principal HR decision makers, i.e. top management, line management and HR management, share the same vision and are on the same wavelength. If the HR department and line managers understand each other regarding HR priorities, it is only logical that line managers perceive the HR department as an effective strategic partner. However, if top management also agrees on HR priorities, the HR department will be even more considered to understand the organizational strategy and challenges. *Consistency* refers to 'the degree of internal fit or compatibility between HR practices and of their continuity and stability over time'. It is a necessary condition for the HR department to be able to clearly communicate what the firm expects from its employees. Moreover, because line managers have to make use of HR practices to steer their employees, it is important for them that the messages send by the HR department and the HR practices do not contradict. *Distributive justice* is negatively related to the perceived effectiveness of the HR department in its role of strategic partner. To line managers, distributive justice could be an indication that HR is more concerned with equality instead of efficiency and effectiveness issues. Line managers have to steer their employees efficiently and effectively to realize organizational goals. Doing so, they might have a hidden agenda regarding their people management. It is possible that they decide on, for example, promotions and compensation based on promises they made in the past or political reasons. This could explain why they subsequently perceive the effectiveness of HR in its strategic partner role less high.

Discussion

Conclusion and contribution

The analyses in this article show that different stakeholders have different preferential roles for the HR department when it comes to determining their overall perceived effectiveness of the HR department. Whereas trade union representatives value the operational roles, line managers highly value the process-oriented roles. The findings can be explained given the different role and position of the different stakeholders in the organization. The operational role of administrative expert is important to both stakeholders. This is in line with the findings of Teo and Rodwell (2007), stating that the plea for SHRM should not come at the expense of an effective and efficient personnel administration.

Next, the results show how effectiveness assessments come about and which criteria are decisive in determining stakeholders' effectiveness perceptions. In line with Tsui (1987), we conclude that both universalistic and particularistic criteria exist. Although each stakeholder has its own preferences, we did not find major signs of contradictory expectations between trade union representatives and line managers. This implies that the

expectations and rationale of line management and trade unions are compatible, which is important from an SHRM perspective, in which the successful implementation of HR practices, procedures and processes is seen as a common responsibility.

Distributive justice is the only exception when it comes to contradictions. Both trade union representatives and line managers judge distributive justice as important to be an effective employee champion and an effective administrative expert, respectively. However, line managers might not like it from a strategic point of view. The latter is in line with a political influence perspective (Kanter and Brinkerhoff 1981), stating that different stakeholders compete to influence critical decision criteria, e.g. criteria for promotion or compensation decisions, in a way that furthers their own interests. From this point of view, HR decisions made by line managers are not necessarily rational as is put forward by an SHRM perspective. Similarly, line managers seem to be more satisfied as compared to trade union representatives, although we have to be careful in comparing the two samples. Line managers are the continuation of the HR department because of their people manager's role. From an HRM point of view, they thus have a lot of power. Therefore, it is likely that the HR department will try to give priority to the needs and wishes of line managers instead of those of trade union representatives. This is in line with a strategic contingency perspective as well as the results of Tsui (1990).

The variance explained of our models is high (see Tables 10 and 11), and all HR roles and strong HRM system features seem to be important in one way or another. This indicates the usefulness of the theoretical model of Bowen and Ostroff (2004) and the normative HR roles of Ulrich (1997). Both the strong HRM system characteristics and HR roles are recognizable for practitioners and are decisive in their effectiveness assessments of the HR department. Insights in the antecedents of effectiveness assessments are important and contribute to existing literature because they provide us with information on how strong climates can be built. The extent to which the HR department is perceived as effective by its stakeholders determines its contribution to organizational performance (Guest and Peccei 1994; Chang 2005; Kinnie, Hutchinson, Purcell, Rayton and Swart 2005). Dissatisfied HR stakeholders, for example, might be less likely to implement HR practices as meant by the HR department or to accept the introduction of new HR practices.

The added value of the theoretical model of Bowen and Ostroff (2004) is emphasized in three ways. First, all strong HRM system characteristics have an impact – one way or another – on the perceived HR department effectiveness. Second, the findings point out that implementation and communication process characteristics might be more important as compared to the concrete HR practices that are introduced. For example, if trade unions resist the introduction of pay for performance or competence management, the underlying cause might be a lack of perceived relevance, procedural and distributive justice of these practices rather than overall opposition against the practice itself. These results show that SHRM research should benefit from studying both content-oriented (e.g. Sels et al. 2006) and process-oriented measures in the future. Third, we controlled the analyses for the collaboration between management and trade union representatives. As expected, collaboration and perceived effectiveness of the HR department are positively related. Yet, despite this control, the strong HRM system characteristics still have independent and additive effects on the perceived effectiveness of the HR department in the preferential HR roles.

Directions for future research

Both the findings and measurement instrument point to interesting lines of inquiry for future research. First, only two stakeholders were included in the current study. We opted

for line managers and trade union representatives because they are crucial to the process of HRM implementation and communication. Moreover, they are key informants and thus adequate for reliable and valid data. Yet, they are not the only source of information. More research is needed that collects data from multiple stakeholders (per organization), making it possible to execute a 360° assessment of the HR department, or from multiple stakeholders (in different organizations) to further validate our conceptual framework and measures.

Second, in the results section, we reported the existence of 'neutral' and 'satisfying' HR roles for both stakeholders. In his model of customer satisfaction, Kano (1984) makes a distinction between basic factors, excitement factors and performance factors. Basic factors cause dissatisfaction if not fulfilled, but do not lead to customer satisfaction if fulfilled. Excitement factors cause customer satisfaction if fulfilled, but do not lead to dissatisfaction if not fulfilled. Performance factors lead to satisfaction if fulfilled and to dissatisfaction if not fulfilled. Matzler, Fuchs and Schubert (2004) argue this model can also be applied to employee satisfaction. Satisfaction can be defined as 'the full meeting of one's expectations' (Jamal and Naser 2003, p. 30) and is related to effectiveness. Future research might focus on the development of a typology consisting of 'basic', 'excitement' and 'performance' HR roles.

Third, we assumed that trade union representatives' perceived effectiveness of the HR department differs based on the social climate in the organization. The results underpin this assumption. This finding is promising for future research examining whether the relationships found differ according to other external (e.g. uncertainty) or internal (e.g. size of the firm) conditions. Preliminary regression analyses performed for four different groups (good social climate and good economic situation, good social climate but bad economic situation, bad social climate but good economic situation, and bad social climate and bad economic situation) confirm the influence of this type of variables. If everything goes well, every role is important in determining general HR effectiveness. Because of the good economic situation, trade unions have the time to consider every aspect of HRM, and because of their high involvement in HR decision-making, they realize that different aspects are important for HRM to be effective. If, however, one of the two factors (economic situation or social climate) is poor, trade unions return to their basic focus on the operational roles. In the event of both a bad economic situation and a poor social climate, only the role of employee champion is left over as an important determinant of general effectiveness. In this situation, all their time and effort goes to their traditional role of defending employees, and HRM is judged solely on its ability to be a supporting partner in performing this task.

Finally, our measurement instrument can be used in SHRM research for broader purposes. The strong HRM system characteristics can be linked with firm performance as independent variables. One could argue that there exists a positive relationship between the average score on each of the perceived characteristics (measured at an aggregate level) and firm performance. The instrument can also be used complementary to content-oriented measures, to unravel interrelationships between perceptions of HRM system characteristics and content. It would be interesting to examine whether the contribution of specific HR practices to firm performance depends on the perceived characteristics. Kuvaas (2008), for example, has already shown that the relationship between the perception of developmental HR practices and work performance is positive for employees reporting high levels of procedural justice. Similarly, one could examine whether, for example, the impact of training on firm performance is higher in organizations where the HRM system is perceived as relevant.

Implications for HR managers

Our findings have important implications for HR managers. First, the average scores on perceived effectiveness of the HR department are rather low: 5.46/10 for trade union representatives and 6.77/10 for line managers. As mentioned by Wright et al. (2001), it is possible that HR departments should do a better job of internally marketing the activities of HR. However, it is also possible that HR departments do not yet make the most of their potential. According to the results, relevance of the HR practices seems to be the major leverage. Even in the case where the HR department efficiently and effectively executes its job (high perceived validity), relevance of what the HR department does is necessary to be perceived as effective by both line managers and trade union representatives. To develop *relevant initiatives* HR staff has to know the business, both in terms of the long-term objectives of the firm and the short-term goals of line managers, who will use the HR practices and processes to steer their employees in line with organizational strategy. This will allow HR staff to align business strategy and HRM. To do so successfully, a mix of generalist knowledge (How does a firm function?) and expert knowledge on HR practices and processes (What are the conditions under which a certain HR practice, e.g. individual performance based pay, is successful?) is needed. Next, empathy is needed as well. An empathetic HR staff is aware of others' emotions and able to use that emotional awareness to achieve results. An empathetic HR staff is also more likely to gain insight in employees' individual situations and line managers' local context and is subsequently more likely to develop the necessary tools to stimulate and motivate employees.

Second, HR departments deliver services to several stakeholders. It is important for them to understand that different stakeholders have different expectations, and to know what each stakeholder considers important and values highly. The proposed instrument allows HR managers to evaluate the HR department and to make a stakeholder assessment. Making this diagnosis on which strong HRM system characteristics are decisive in determining stakeholders' perceptions enables HR departments to establish priorities (e.g. by giving special attention to the domains in which the HR department scores bad) as well as to take actions in specific domains (e.g. introduce service level agreements to enhance perceived reliability). The improvement of important characteristics might be the key to better relationships between the HR department and stakeholders within organizations. This, in turn, might influence both the acceptance of HR practices as well as their successful implementation.

Methodological limitations

Readers should exercise caution in generalizing the results beyond the study samples. First, we compared two different samples: 111 line managers in one organization and 363 trade union representatives of different organizations. Our conceptual framework holds for both samples and the results thus demonstrate the applicability of the framework in different settings. Yet, follow-up research in other organisations is needed to validate our results. Second, there might be country of origin effects regarding the HR preferences of line managers and trade union representatives. Previous research has shown that individuals from different countries have different cultural values and individual preferences. One example is a study of Kim and Markus (1999, p. 785) according to which 'uniqueness has positive connotations of freedom and independence in American culture, whereas conformity has positive connotations of connectedness and harmony in East Asian culture'. These differences in cultural values and individual preferences can influence the evaluation of service delivery by the HR department. Depending on the

primary focus (on interpersonal relationships which is the case in East Asian and South European culture or on efficient task execution which is rather the case in the USA and Northern Europe), different HRM system characteristics and HR roles will be emphasized. In case interpersonal relationships and conformity are important, the preference for justice, agreement and the employee champion role might be more outspoken. Contrary, if the focus is on efficient task execution and uniqueness, strategic dimensions such as relevance, visibility and the strategic partner role might be more important. Furthermore, the strength of the relationships might also differ depending on the varying power of trade unions in different countries. We assume that the relationships will be stronger when trade unions lack power. In that case they have to rely more upon the HR department to defend their interests, which will make them more severe in evaluating the HR department. Future research could test our framework in different cultural settings to pronounce upon the relative importance of the HRM system features and HR roles.

The results may suffer from common method bias due to common rater effects and measurement context effects, i.e. simultaneous measurement of the criterion and predictor variables (Meade, Watson and Kroustalis 2007). Yet, the confirmatory factor analysis we executed to validate the scales for the HRM system characteristics proved that common method bias due to common rater effects might not be a major issue. According to Doty and Glick (1998), measures that have undergone psychometric evaluation are less sensitive to common method variance. Moreover, regarding the measurement context effects, we are not interested in the magnitude of the effects (which might be inflated), but rather in the existence of specific relationships and of the differences regarding these relationships between trade union representatives and line managers.

In sum . . .

The results of this article indicate the usefulness of the theoretical model of Bowen and Ostroff (2004) and the normative roles of Ulrich (1997). All strong HRM system characteristics and HR roles are recognizable for practitioners and are decisive in their effectiveness assessments of the HR department. Yet, different HR stakeholders do have different preferences, which makes it more complicated for the HR department to satisfy all stakeholders, leading to potential delicate issues of prioritizing between stakeholders' needs. The findings generate new and interesting lines of inquiry for future research, and provide practitioners with concrete information that can guide managerial actions.

Note

1. Partner at iNostix (specialized in HR analytics).

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