

Understanding HR Reputation: A study to identify and measure the factors that determine perceptions and judgements of HR

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Abstract

HR suffers from an on-going negative reputation supported by a variety of criticisms of their support for line managers, lack of business knowledge and failure to adapt to a new business model. Much of the research on HR has been focused on establishing a link between HR practice and business performance. Although arguments for such a link are compelling, HR's competence to deliver a strategic plan, which balances both the interests of individuals and those of business, is in question.

The aim of this study is to identify the components of HR reputation and develop a scale of measurement for HR reputation. There has been little research carried out to date on either HR reputation or its constructs. That which exists suggests that HR reputation is formed by shared perceptions and judgements across the organisation but offers no suggestions as to its constructs or causes. A scale of measurement will enable the HR profession to better understand those perceptions and the expectations of the key stakeholders to identify how their role needs to develop, not only to meet these expectations but also to give them a robust tool to respond to their reputation more effectively.

A review of the literature identified a number of factors which potentially impact on HR reputation. These are perceptions of HR service, positioning and leadership of the HR function, skills and abilities of HR professionals, the context in which HR operates, and trust in HR and HR outcomes. These factors were further explored in an exploratory study using a qualitative methodology to gather the views of HR and line managers.

The exploratory study confirmed that three factors – perceptions of service, skills and abilities, and trust – are indeed factors that contribute to HR reputation, but found little support for positioning and leadership. The exploratory study also generated a number of questionnaire items within each of these factors, which were combined with items generated from literature and validated scales to develop items for the pilot questionnaire, which refined the factors contributing to HR reputation.

The final study consisted of a large-scale survey of UK employees and concludes there are four sub-scales that contribute to HR reputation: expectations of HR, skills, trust, and HR performance. All sub-scales are perception-based and together explain the latent variable of HR reputation, which is multifaceted and needs to be viewed on all four

dimensions. Within these sub-scales differences could be found between perceptions made by individuals of the direct impact HR has on them and perceptions of the impact of HR on the business. Finally, the work concludes that different stakeholders may hold different perceptions about HR, and hence HR reputation, which has implications for practice, and that the way in which HR performance is viewed can explain differences in HR reputation.

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1. Introduction

The HR profession celebrated its 100th anniversary in 2014 following a century that has witnessed many changes, both in the structure of the economy and the nature of work itself. Most recently, the profession has witnessed a shift of emphasis from reactive to proactive and from being employee-centred to becoming business-focused (Hilltrop and Sparrow, 1995; Truss, Grattan, Hope-Hailey, Stiles, and Zaleska, 2002). People are now more likely to be recognised as an important resource to the business (Lepak and Snell, 1999). Perhaps more importantly, people and the knowledge those people possess are also much more likely to be seen as a key driver of business success (Lewis, 2004; Rasula, Vuksic, and Stemberger, 2012). It might therefore be expected that the HR profession would rise in its importance to the business as HR practitioners have increasingly been expected to contribute to, rather than merely support, business strategy – business strategies that increasingly rely on the performance and innovativeness of employees to succeed. However, this has not always been the case.

Historically HR (renamed from personnel management) has been an administrative function that grew out of the welfare movement of the late nineteenth and early twentieth centuries. The administrative function of HR grew in importance during and after the Second World War as organisations became more complex and increasing amounts of data needed to be kept relating to employees. Also post-war, the industrial relations function of HR increased in relevance with HR taking responsibility for collective bargaining, a role that more often than not put them in confrontation with employees as representatives of management. The decline of industrial unrest from the early 1980s onwards left the HR profession in a vacuum. However, at the same time the rise of strategic human resource management (SHRM) identified a new strategic role for HR functions, identifying the approach to people management that would deliver the best organisation-wide outcomes (Ferris, Hochwarter, Buckeley, Harrell-Cook, and Frink, 1999; Lepak and Snell, 1999; MacMillan and Schuler, 1985). Nevertheless, throughout the last three decades HR professionals have struggled to move into that strategic role, and there is much evidence to suggest that HR is still largely an administrative-based function. According to Boudreau and Lawler (2014: 232), 'Despite compelling arguments

supporting human resource management as a key strategic issue in most organisations, our research and that of others have found that human resource executives often are not involved in key strategy decisions and remain stubbornly traditional.' A Conference Board study (Ray, 2012) surveying the challenges faced by CEOs globally also found that the priorities of the profession have not changed significantly over the years, indicating that much HR work is still transactional and administrative, and many more academics and commentators question the ability of the HR profession to move towards the business partner role suggested by Ulrich (Lawler and Boudreau, 2009; Pritchard, 2010). This has been compounded by a trickle of articles questioning the HR profession's strategic abilities from Skinner (1981) at the beginning of the strategic HRM movement, criticising HR's willingness to fulfil the strategic space to Capelli (2015) questioning the role and purpose of the HR department in the 21st century.

This historical perspective implies a shift from personnel management, concerned with process and practice, to human resource management (HRM), or HR as it has commonly become known in practice, concerned with strategy and the utilisation of human resources. However, the above suggests there is not insignificant doubt whether a shift has in fact taken place or whether a rebranding exercise has taken place.

This question is further complicated by the problems in defining HRM. There is currently no one accepted definition but a number of competing models purporting to map the area or putting forward a particular approach. The standard texts on HRM offer some generic guidance, for example Boxall and Purcell (2008: 1) refer to HRM as being 'all those activities associated with the management of employment relationships in the firm'. However, other writers (for example, Beer, Spector, Lawrence, Mills, and Walton, 1984; Fombrun, Tichy, and Devanna, 1984; Pfeffer, 1998) use the term to describe a specific approach or theory of the management of people or labour. It would seem that the term HRM or HR, although well used, is still the focus of some debate.

Some writers such as Guest (1987) and Storey (1992) distinguish between 'soft' and 'hard' HRM. Soft HRM is concerned with investment in human resources or people, and hard HRM is concerned with minimising costs and getting maximum value from those human resources. Guest (1987) attempted to distinguish between personnel management and HR, describing personnel management as a specialist, professionally driven area of management pursuing a short-term, bureaucratic, centralised approach to

managing the workforce at minimum cost. This is distinct from HR, which he describes as a long-term strategic approach to the management of people that is integrated with line management and focused on effective utilisation of labour. Other writers see less of a distinction between HR and personnel. Legge (1995: xiv) argues HRM is more ‘...rhetoric about how employees should be managed to achieve competitive advantage than a coherent new practice’. Keenoy (1990) shared this view, describing HRM as more rhetoric than reality. In a review of the literature, Beardwell and Clark (2007) identified five different models of personnel management and HRM, all with different practices and theories of managing people. However, since the start of the twenty-first century, it is possible to see a new theme emerging from writers such as Lepak and Snell (2007) that there is a new HR emerging that is driven by competitive advantage and is seeing a shift away from managing jobs to managing people. Caldwell (2003) published research examining whether the HR roles put forward by Storey (1992) – advisor, handmaiden, regulator and change maker – were still valid. He found significant change in HR over the decade, largely driven by growing performance demands of labour, and concluded that Storey’s typology no longer fitted a changing organisational context and that Ulrich’s vision may promise more than HR can deliver.

The HR industry’s professional body, the Chartered Institute of Personnel and Development (CIPD), has attempted to map the profession. However, their approach is a normative, competence-based one rather than a theoretical perspective, and the map describes what HR practitioners do and what they need to know rather than putting forward a theory of how HRM works in practice. However, the CIPD map does acknowledge the continuing need for both transactional and transformational roles in HR, recognising that personnel management has not disappeared.

The terms HR and HRM can therefore be used to describe both the general area of people management carried out within organisations and a specific approach focused on certain outcomes. However, there is a prevailing theme in the literature that HRM, as opposed to the term personnel management, embraces a more strategic role for the management of people, putting people management as the guardians of a resource of growing importance – people and the knowledge they have – at the heart of the business. For the purpose of this report, the term HR is used to describe all people management activities undertaken within a contemporary organisational setting. However, the report will differentiate between the HR function, HR practitioners, HR

policies and practices, and HR services. The HR department is where HR practitioners are located and where responsibility for people management sits. HR practitioners are professionals specialising in HR located within that function. HR policies and practices describe specific actions put in place by the function and its professionals to manage people within organisations, but not necessarily enacted by them. HR services describe the support, advice and guidance offered by the HR function and HR practitioners to individual managers, employees and the business to manage the employment relationship. In the questionnaire and interview schedules, and hence the HR reputation scale factors, the term HR professional has been used to make it clear an HR specialist is being referred to rather than a line manager practising HR in their line management role. However, in other parts of the report the term HR practitioner has been used to differentiate between individuals delivering HR services in an organisational context and the profession as a cohesive group of specialists delivering HR services in a variety of contexts. Overall the term HR, however, includes all people management activity that takes place within an organisation, whether delivered by a qualified HR professional or not.

The HR profession and HR academics and researchers have actively sought to justify this strategic HR role with empirical evidence from the people and performance movement that human resources are a strategic resource (Arthur, 1992; Barney, 1991; Huselid, 1995; Pfeffer, 1994), and hence the role of HR in managing and deploying that resource is also largely strategic. Despite some compelling evidence from this movement, which has been taken up by professional bodies such as the CIPD to argue the case for HR involvement in strategic decision-making, it appears that CEOs and boards are still unconvinced. In particular, they still doubt HR's ability to contribute to an organisation's financial performance (Guest, Michie, Conway, and Sheehan, 2003). This is manifested by the observation that HR does not habitually occupy a direct role in board-level decision-making and important strategic decisions about the development and deployment of human resources are often left to other disciplines (Sheehan, de Cieri, Greenwood, and van Buren, 2014). It appears that over time HR has been significantly less successful than other functions in legitimising their actions in the business context (Sisson, 2001), particularly compared with the finance and marketing functions. In the UK context in particular, many have expressed the view that HR is too important to be left to HR specialists (Storey, 2007).

A large body of research has, to some extent, successfully demonstrated the link between HR practice and business performance (Appelbaum, Bailey, Berg and Kelleberg., 2000; Becker and Huselid, 1998; Huselid, 1995; Pfeffer, 1994). However, although strong correlations between HR and performance have been identified, causality is still very much in doubt (Guest, 2011). Furthermore, Guest and King (2004: 422) cast doubt about HR's competence to act upon this evidence: '[t]here is a belief at an abstract level that good HR makes a difference to organisational performance but HR departments have often failed to communicate the relevant evidence or create any kind of vision about how to put this into practice.' Other writers have also followed this theme (Hills and Rawes, 2009; Payne, 2010), debating whether HR has the competence or the will to put in place the strategies needed to improve organisational performance.

As a result of the above, although there is largely support for the view that so-called high-performance work practices influence firm performance (Guthrie, Flood, Liu, MacCurtain, and Armstrong, 2011), there is still doubt as to HR's role in mediating this relationship (Barney and Wright, 1998; Guest, 2011). Other studies support these criticisms, indicating that HR has lost the trust of its stakeholders (Kochen, 2004) or that the stakeholder position of managers and employees has been weakened by changes in HRM (Petersen, 2004). For example, 'pay for performance' pay strategies have weakened the influence of employee stakeholder groups such as trade unions on the pay bargaining process and also potentially the influence of managers on pay decisions. Furthermore, Caldwell (2003) and Hope-Hailey, Farndale and Truss (2005) found that overemphasis on the strategic role of HR did not enhance the value of human capital and may have a negative effect on sustainable performance and even alienate employees from HR. In addition, the publicity around corporate excess has identified HR as complicit in many of these activities, potentially leading to a diminished legitimacy for the HR function within organisations (Lansbury and Baird, 2004).

This led some critics of HR in the latter stages of the twentieth century to state that the HR function must transform or die (Schuler, 1990). In any case, it is likely that these negative perceptions may have deterred the brightest and best management students from entering the HR profession (Dworkin, 2002; Ledgister, 2003), leading to a general decline in the quality of the HR function and its ability to add value (Baruch, 1997; Chang, 2005; Hannon and Milkovich, 1996).

More recently, as the HR profession has entered the twenty-first century, there has been a movement to encourage the profession to come of age and become more insight-driven, working with business leaders to develop people-centred solutions to business problems. Ulrich, Younger, Brockbank, and Ulrich (2013) have identified a new set of competences for HR that involves connecting people through technology, sustaining change, and aligning behaviours with strategy and culture. HR has increasingly attempted to move into the domain of organisational development, concerned with organisational effectiveness, change and problem-solving. This is evidenced by the core behaviours in the CIPD's HR Profession Map: insight, strategy, and solutions. However, the same doubts as to whether HR has the competence to fulfil this role still linger. Ulrich et al. (2013) found only low to medium levels of competence in the six skill domains they identified that HR needs to demonstrate to become proficient. Angrave, Charlwood, Kirkpatrick, Lawrence and Stuart (2016) question the ability of HR professionals to generate and interpret the data necessary for them to make an effective strategic contribution and even Ulrich the champion of the HR strategist role has cast doubts on the abilities of HR professionals to fulfil it (Ulrich, 2011).

In summary, the HR profession has evolved considerably over the 100 years of its existence, and is probably still evolving. However, there is little agreement about what HR actually is and whether it is significantly different from the personnel management of the mid to late twentieth century. It is also apparent there is sufficient evidence to suggest that HR as a function has not yet embraced the necessary change to operate at a strategic level and add value, despite the recognition that people are an ever increasing source of value for the organisation. As a result, it can be argued HR has not kept pace with the changes in the economy and the nature of work. Boudreau and Lawler (2014: 243) conclude: 'The need for a new business model for HR has been accepted and acknowledged by many HR executives, but the human resource function still appears to be at the very beginning of the changes that are needed in order for it to become a reality.'

Despite this history, very little study has been devoted to the concept of the HR profession's reputation, although corporate reputation has come under scrutiny. In common usage, reputation is an intuitive and commonly used term. However, in reality there are multiple definitions, conceptualisations and operationalisations, which have emerged across several studies. Herbig and Milewicz (1993: 18) defined reputation as

'the estimation of the consistency over time of an attribute of an entity ... an aggregate composite of all previous transactions over the life of the entity, a historical notion, and required consistency of an entity's actions over a prolonged time'. A review of the literature on corporate reputation by Lange, Lee, and Dai (2011) identified three prominent conceptualisations: familiarity with the organisation, beliefs about what to expect from it, and impression of the organisation's favourability. They also advocated a multidimensional approach to reputation to cope with the complexity of definition. The familiarity dimension is described by Shamsie (2003: 199) as 'the level of awareness that the firm has been able to develop for itself'. This could be seen in brand awareness, for example. Beliefs or expectations of the organisation are, however, shaped by an assessment of particular attributes or characteristics. Fischer and Reuber (2007: 57) label this as the 'componential perspective on organisational reputation'. This is about the extent to which stakeholders view organisations' ability to perform or achieve something favourably, for example, service excellence or good quality products. As such, it is very subjective and consistency of behaviour over time would lead to a more or less favourable assessment of expectations (Fischer and Ruber, 2007). The conceptualisation of favourability is a generalised assessment of the firm and is described by Barnett, Jermier, and Lafferty (2006: 33) as the 'esteem, regard in which the firm is held, and how attractive the firm is'. This is a useful dimension as it enables judgement based on multiple characteristics and attributes, but it is highly dependent on the attributes individuals and groups choose to identify.

Applied to the HR profession, it would appear that HR's history and evolution has the potential to influence what is currently expected from it. Furthermore, the work on corporate reputation recognises a 'spillover' effect in that the reputation of a firm may impact on others it is associated, if not affiliated, with (Lange et al., 2011). For HR this begs the question as to how much the reputation of the profession nationally or globally impacts on the reputation of the function at the organisational level, or the professional at the individual level.

To date there have been some attempts to define the concept of HR reputation. Hannon and Milkovich (1996), for example, define it as a shared judgement of a company's HR philosophies, policies, and practices. If the definition of corporate reputation put forward by Lange et al. (2011) is accepted, this suggests that HR's history will help shape its reputation and that individual experience of HR may also determine the favourability of

HR characteristics and attributes. However, as different stakeholders will be considering HR philosophy, policy and practice from differing perspectives, the question remains as to what extent stakeholders will agree in their opinions of HR and to what extent that opinion will be driven by fact or perception. This poses two important questions that must be considered in studying HR reputation and which will be explored more in the following sections of this report.

In reviewing the evidence on HR reputation and organisational effectiveness, Ferris, Perrewe, Ranft, Zinko, Stoner, Brouer, and Laird (2007) conclude that although work on HR reputation is limited, the organisation and personal reputation literature can be examined to inform theory and frameworks in which HR reputation can be studied more closely. Given the context of paradox and ambiguity referred to above, it is clear that there are a number of further issues to be considered if we are to understand how HR reputation is formed. These include whether stakeholders believe HR is operating at the transactional or strategic level, whether it is HR's actual or perceived abilities and behaviours that shape reputation, whether it's HR's impact on organisational and economic performance or human well-being that influences perceptions of HR, and what importance can be ascribed to the context in which HR develops both at the micro level of the organisation and at the macro level of national policy and opinion.

1.1 Why study HR reputation?

For something that has been written about so widely in the popular management press, debated and caused so much consternation to the HR profession, as discussed above, surprisingly little is known about HR reputation. Ferris et al. (2007: 125) point out in their review of HR reputation and effectiveness that 'theory and research on HR department reputation are needed to more clearly delineate the domain of the construct, and to address the many issues that emerge in consideration of the construct'. In short, we do not yet know how reputation is formed, let alone what HR practitioners can do to maintain or enhance it. Ferris et al. (2007) go on to highlight a number of directions for future study aimed at building a robust contribution to HR theory. These directions included developing measures of HR reputation and investigating the linear or non-linear effects of reputation. Such a measure would enable research on the impact of reputation on outcome measures such as effectiveness or whether highly rated HR departments are able to more easily embrace the contemporary visions for HR of insight-driven strategic-

level activities. It would also enable investigation of whether so-called 'celebrity' HR departments, those that have achieved a high level of popularity and recognition, are able to access better resources and implement innovative policies.

However, there are also practical implications of developing a greater understanding of how the HR department is viewed, how its characteristics and attributes are assessed, and how favourable or unfavourable assessments are made by its different stakeholders. These rest on the assumption that the reputation of the HR department or HR practitioners will impact on HR's ability to add value in organisations. There is some evidence for this. Much of the body of research on the impact of HR practice on business performance was driven by the desire to raise UK productivity, which still lags behind other developed countries according to Office for National Statistics data. However, work by Guest and Conway (2011) demonstrated that CEOs rate the effectiveness of HR practice significantly lower than HR practitioners. Whilst they were unable to determine any negative outcome from this and do not suggest that lower levels of perceived effectiveness equate to a negative reputation, it would suggest that the views of CEOs and senior managers could influence the adoption of value-adding HR policies, limiting the ability of HR functions to enhance their reputation. The nature of HR currently is that HR has to try to influence without authority or position (Ferris, Galange, Thornton, and Wayne, 1995). The ability of HR to position itself, integrate into influential social networks, and build a positive reputation will necessarily enhance their ability to do so.

However, perhaps the most compelling reason for studying HR reputation is the lack of work in the area and the lack of understanding around how HR reputation is formed as well as what comprises the antecedents or drivers of reputation. This knowledge gap is considered in greater depth in the section below.

1.2 The knowledge gap

1.2.1 What is the nature of HR's reputation?

Perhaps because of the way in which HR has evolved over recent decades, a number of stories have appeared in the more popular management press criticising the behaviour and competence of the HR function. This has fuelled a popular belief that HR struggles to add value and is not taken seriously in organisations. For example, a post entitled 'Why

we no longer need HR departments' posted on LinkedIn in 2014 attracted 3,500 negative comments about HR. In addition, research from the consultancy Great Place to Work, 'Sack the HR Department', also promoted a lively debate and many negative views of HR departments. However, none of this popular research has been replicated by robust empirical work and as yet no one has offered an objective analysis of the factors that may contribute to HR's reputation, either positively or negatively. As a result it would appear that the myth is being perpetuated in light of the lack of robust evidence to refute it. The first gap in our knowledge must therefore be whether in fact HR does suffer from a negative reputation and whether that reputation is deserved. To answer this, it is also necessary to define the scope of the term HR and determine the definition of reputation to understand precisely what is under consideration by the term HR reputation. In addition, it will not be possible to determine whether HR does in fact have a negative reputation until we find some way to measure that reputation.

1.2.2 What factors are informing HR reputation?

The Herbig and Milewicz (1993) definition of reputation suggests that it is an estimation of an entity's activities and behaviours. Hannon and Milkovich (1996) suggest HR reputation is a shared judgement of the HR element of those activities and behaviours. However, neither offers an opinion on how these estimations or judgement are informed or shaped. A considerable body of work has been accumulated in the HR field over the past three decades concerned with HR effectiveness and HR's role in driving business performance. Much of this work has been carried out to inform how HR can add value and as such ought to shape the judgement and estimation made of HR activity. Indeed, this work has resulted in a plethora of studies suggesting that people, the way they are managed and motivated, are a significant source of competitive advantage (Appelbaum et al., 2000; Arthur, 1992; Beer et al., 1984; Guest et al., 2003; Huselid, 1995; Miles and Snow, 1984; Purcell, Kinnie, Swart, Rayton, and Hutchinson, 2009; Schuler and Jackson, 1987).

This work should, therefore, position HR favourably as significant contributors to economic success; indeed, it has been much cited by the profession itself as evidence of HR's value to the business and evidence of the profession's legitimacy as a board-level influencer. However, because it is still inconclusive as to whether HR practice *causes* higher levels of business performance (Guest, 2011), critics can still argue that high-

performing organisations can afford people management practices such as training, variable reward and work–life balance rather than these practices being responsible for any performance improvement. History suggests that in tough economic times, HR practice defaults to cost-cutting, laying off staff and reducing pay, further fuelling this criticism, although it is debatable whether the directive for such actions comes from the profession itself or senior management.

Furthermore, later research into the nature of the relationship between HR practice and business performance (Birdi, Clegg, Patterson, Robinson, Stride, Wall and Wood, 2008; Wright, Gardner, Moynihan and Allen, 2005) presents evidence that suggests management effectiveness mediates the relationship between HR practice and business performance. This lends weight to the argument that although HR and people management practice might raise productivity, senior management decisions might have more influence as to how successfully improvements in productivity are translated into profitability or financial performance. This makes it difficult to determine the influence of HR practitioners as distinct from the influence of the remainder of the senior management cadre on decisions that enhance business performance, and helps to explain why organisations with seemingly good HR practice still fail to perform.

In addition to the debate on HR's impact on business performance, as yet there is very little understanding as to how HR contributes to business decision-making. The HR professional body, the CIPD, has published opinion-based work suggesting that HR has the skills to contribute to decision-making but is somehow excluded from the process (CIPD, 2012). However, research evidence suggests that HR lacks the skills to successfully play a strategic role in business and that an absence of business focus from HR practitioners is to blame (Sheehan et al., 2014) for their failure to effectively add value. This suggests a disconnect between the way in which the profession views itself and how it is viewed by others. Consequently, a measure of HR reputation that can inform both the profession and managers as to how HR is viewed and valued in the organisation and in different circumstances and contexts would be helpful in building understanding about how HR contributes to performance. Furthermore, Boselie and Paauwe (2005) suggest that when HR is viewed as having more personal credibility, its contribution to performance is also viewed more positively.

It is difficult to assess what impact this research has had on the HR profession itself, let alone its reputation. Whilst much of the contemporary research is informing HR learning and qualifications, many existing practitioners qualified in an earlier era, where far less was known about HR effectiveness and outcomes. It may be that understanding of HR has not kept pace with the evolution of the profession, as discussed above, and judgement is still being made on the basis of an outdated model of HR, leading to a disparity in judgement between what is expected of the profession and what the profession expects to deliver. Or rather a management cadre that expects HR to be effective in delivering support and services and an HR profession that has been taught its role is to add to organisational value through strategic activity. What is clear is that there is a great deal of complexity over the factors that may or may not shape judgements and opinions of the HR profession or HR activity in organisations. Although much work has been done on HR effectiveness and the potential causes of effectiveness, there is no evidence that this has influenced HR reputation. And in fact, this is despite much of this work being funded by the CIPD with the aim of enhancing the reputation of the profession and legitimising it in the eyes of managers as a value-adding function.

Effectiveness may therefore be an outcome measure for HR in the eyes of one of its prominent stakeholders – line managers - and it may be one factor contributing to HR reputation. But it is not to be confused with reputation itself, which is likely to include many other dimensions.

1.2.3 HR reputation and the delivery model of HR

As discussed above, the role of HR in delivering performance is complex and not as yet fully understood. What is evident, however, is that HR plays multiple roles within organisations, all of which may to a greater or lesser extent deliver performance. Ulrich's (1997) seminal work on HR roles built on earlier ideas from both Storey (1992) and Tyson and Fell (1986) suggesting that HR roles can be differentiated between the administrative and the strategic. The Ulrich business partner model has been widely adopted (Ulrich, 1997) and introduced the four key roles of HR business partner, employee champion, administrative expert and change agent. However, ten years on, Ulrich and Brockbank (2009) found that the model had not fulfilled its promise and much of this was due to the failure of HR practitioners to acquire the necessary skills and competencies to fulfil the business partnering role. Evidence from practice also suggests that the business partner

role is interpreted in many different ways in different businesses, and not always in the true sense of the role as described by Ulrich. Other writers suggest that encouraging HR to focus on the business partner role is to the detriment of the roles of administrative expert and employee champion and may impact on their professional integrity and claim to a professional body of expertise (Kochan, 2004; Torrington, Hall, and Taylor, 2005). Keegan and Francis (2010) conclude that HR role frameworks are largely unitarist and do not recognise the inherent duality in HR, exacerbating the role tensions caused by outsourcing. This, they argue, distances HR work from front-line managers and employees and results in the fragmentation of HR work, leading to greater problems balancing a business orientation with employee interests. So by highlighting and focusing attention on the different roles played by the HR profession, it appears that potentially work on HR roles has also led to greater tensions and challenges in balancing employee interests with those of the business.

This is perhaps illustrated in an example of how HR approaches the concept of talent management and development in organisations. Lepak and Snell (1999: 37) argue, 'the value of human capital is inherently dependent upon its potential contribution to the competitive advantage or core competence of the firm.' As HR is the function that is responsible for the development of human capital, it could be suggested that this might be one of the major avenues through which HR can contribute to business performance. However, in doing so it would also seem that HR has a dual role to play in delivering value. First, HR needs to focus on the individual to ensure that each individual is being developed and their potential being fully exploited. Second, HR needs to ensure it is putting in place strategies to effectively deploy this potential and ensure it is focused on value-adding activities for the organisation. In addition, HR needs to be aware that not all employee skills are as valuable or unique to different organisations. Hence, in the recession of 2008 we saw organisations pursuing a strategy of cost reduction and layoffs whilst still endeavouring to retain key talent by making differential decisions towards different types of employees. For example, even though forced to make layoffs in some areas, they were making a concerted effort to identify, retain and continue to develop their most talented and hard-to-replace employees.

As a result of this dual role, HR is taking both a unitarist approach – ensuring the organisation has the talent it needs to enhance competitive advantage – and a pluralist approach – recognising that individuals are different with different talent and development

needs and are of differing value to the organisation. This immediately puts them into a potentially conflicting situation, attempting to balance the different needs of individuals with the overall needs of the organisation. This raises the question of who HR practice is designed to benefit: employees or managers, or both? Is it inevitable that there will be winners and losers? Or is there, as populist literature supposes, a single approach, which is for the benefit of the organisation and the individual? Very little is known about the views of different groups of stakeholders who are on the receiving end of HR practice and policy. Once again a tool to measure their views, from the perspectives of different stakeholders, and ultimately the impact this has on HR reputation, would help to develop understanding of the HR role in practice.

1.2.4 Measuring HR value

Arguably one of the ways that the knowledge gap around the contribution that HR makes to business performance could be filled is by demonstrating the value of people and their knowledge and expertise to the business. However, the human capital movement, which aims to do just this, finds that measuring the contribution of people to business is fraught with difficulty and highlights even further the gaps in the understanding of the value and contribution of HR. Human capital management identifies many different methods employed to calculate the value of human capital, which have still not resulted in any reliable value models. Human capital is defined as the stocks of knowledge, skills, experience and creativity held by people (Nalbantian, Guzzo, Kieffer, and Doherty, 2004). According to Bontis, Dragonetti, Jacobsen, and Roos (1999: 394), 'all the models suffer from subjectivity and uncertainty and lack reliability in that the measures cannot be audited with any assurance.' Human capital is sometimes defined more broadly with the emphasis on measurement and management to develop human potential (for example Becker, Huselid, and Ulrich, 2001). However, the movement largely lacks academic empirical work and has not yet developed a valid measurement framework. This lack of ability to quantify the value of the human assets of the organisation coupled with the contextual nature of resource advantage are just two of the factors that add to the difficulties experienced in trying to explain the nature of the value that HR may add to business. In addition, as alluded to above, HR has multiple stakeholders possessing varying degrees of power and influence (Colakoglu, Lepak, and Hong, 2006) who exacerbate the problems caused by the multiple roles of HR. Dominant stakeholders may successfully ensure that certain HR roles are prominent and competing stakeholders may

require multiple roles to be played, which are not always entirely compatible (Sheehan et al., 2014).

All of these factors may help to drive a view that as yet HR has failed to deliver on its potential to drive competitive advantage. This is further discussed by Lawler and Boudreau (2015), who found that HR leaders have been only moderately successful in keeping their skills and effectiveness up to date with a fast changing global workscape characterised by every increasing complexity. Further work by Boudreau (2015) found that whilst HR has had some successes, they are still not forward-looking enough to necessarily cope with future change. So whilst HR may have been successful in equipping themselves to cope with the present, they may still struggle with adapting their response in a changing world.

Academic reviews of the relationship between HR and organisational performance have concluded that when there is greater use of a range of HR practices, there are also indications of higher organisational performance (for example, see Boselie, Dietz, and Boon, 2005; Combs, Ketchen, Hall, and Liu, 2006). It might therefore be expected that HR reputation would become more positive as the value of HR practices to the business was recognised and firms sought to improve performance through the use of proactive HR. However, there is no evidence that this is in fact the case (Ferris et al., 2007). Although the profession continues to grow and tangible efforts have been made by the CIPD to raise the professional standards through their qualifications, in 2010 they still reported a shortage of good quality entrants to the profession, which they attributed to the profession's poor reputation. In response they initiated a campaign in 2010 to attempt to make the profession more attractive to high-calibre graduates. However, as yet there is little evidence to demonstrate that the quality or skills of the profession have significantly improved.

It would appear from the above discussion that there is, as yet, still little detailed understanding of how HR adds value to business. Despite the decades of work on the links between HR practice and business performance, there is still little evidence that HR professionals are successfully exploiting this research or living up to the expectations it raises for them to add value to organisations beyond delivering a cost-effective HR service. In fact it may be that this work has raised expectations of HR functions, which they are unable to deliver on. It is also apparent that there are numerous stakeholders in

the relationship between HR practice and business performance, all of whom may have different expectations and different views of the HR role. Furthermore, although a lot has been written about the poor reputation of HR departments, very little is known about what contributes to that reputation. Finally, it would appear there may be a self-fulfilling prophecy in action. Because the HR department suffers from a poor reputation, able individuals are deterred from an HR career, leading to a lack of talent and ability to develop the skills needed to successfully add value within the HR profession. To break the cycle, more needs to be known about how reputation is formed and what can be done to influence it.

1.2.5 Closing the gap

In terms of understanding what the future for HR might be and how HR needs to position itself to effectively influence business performance and potentially improve its reputation among its various stakeholders, a number of reputational issues seem to be important. HR first needs to understand the components of reputation to understand the nature of the shared understanding of the HR role and how to respond to it. Second, HR practitioners need to be aware of the expectations of their various stakeholders and ensure they are managing those expectations within their own abilities and context. Third, HR needs to understand they cannot simply address the outcome of their poor reputation by rhetoric or by seeking to legitimise their current position; they must also understand how they fit into that outcome and the implications for the future development of the HR role or roles. Finally, a scale of measurement for HR reputation will enable more robust auditing of the HR role and inform further work, enabling HR to manage and respond to their reputation positively.

1.3 Theoretical underpinning

In addition to the knowledge gaps discussed above, there are further questions concerning whether there is a theory gap in terms of understanding HR reputation and also whether there is sufficient existing theory that might underpin research attempting to develop thinking on HR reputation. There is a suggestion that HRM is a practical, problem-driven discipline, which is lacking in robust theory (for example, Ferris et al., 2007; Ferris, Hall, Royle, and Martocchio, 2004). HR reputation research to date has drawn on a number of theories, including power theory, resource dependence theory,

signalling theory, institutional theory, legitimacy theory and impression management theory (Ferris et al., 2007), but as yet no theory of HR reputation exists.

There are many different power theories, but most are essentially concerned with how one party wields power – related to a variety of factors, including position, knowledge, control of resources or ability to coerce – over another to bring about a desired change in that party. Resource dependency theory (RDT) was developed by Pfeffer and Salancik (1978: 1), who stated that ‘to understand the behaviour of an organisation you must understand the context of that behaviour.’ It therefore considers how organisations might adapt themselves to the resources available within their external environment. In HR terms as a sub-unit of the organisational environment, this might be applied to considering how HR adapts to the organisational context in which it operates. Since its development, RDT has been applied across many different research domains to explain how organisations reduce environmental uncertainty and interdependence (Hillman, Withers, and Collins, 2009).

Signalling theory is concerned with how parties transmit and interpret information or knowledge. It has been applied in management to help explain the influence of information asymmetry. For example in diversity research it has been used to explain how firms communicate their adherence to social values (Miller and Triana, 2009), and one of the best known studies (Spence, 1973) examines how job applicants might try to reduce information asymmetry to hamper the selection ability of employers.

Institutional theory proposes that organisations or entities must conform to the rules and belief systems predominant in their operating environment (DiMaggio and Powell, 1983; Meyer and Rowan, 1977). Linked to this, legitimacy theory, according to Suchman (1995: 574), is ‘...a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions’. Finally, impression management theory, first conceptualised by Goffman (1959), is a conscious or subconscious process by which a person or persons attempt to influence the perceptions of others about groups, events or objects.

All of these different theories have something to offer in terms of enabling understanding about how reputation might be formed. Much has been written about HR’s lack of power

and influence in the popular press; however, it is apparent that HR does wield power over certain groups, particularly when deciding who to hire or how rewards should be distributed. Other commentators suggest that HR is dependent on its position and context for its ability to make strategic decisions and contribute to decision-making, suggesting that HR can only act strategically if allowed to do so within its operating context. However, perhaps the most significant body of literature has been that around HR effectiveness, discussed above. Much of this work was funded by the HR profession's industry body in the UK, the Chartered Institute of Personnel and Development (CIPD), with the aim of positioning HR on the side of management in driving business success. As such, it is evident that it was largely motivated by a desire to legitimise the profession of HR as a part of mainstream management concerned with strategic business decision-making rather than primarily concerned with domestic employee welfare issues. However, as discussed above, there is yet no evidence that this has been successful or has influenced HR reputation.

Perhaps the closest thing to an existing theory of HR reputation is Tsui's multiple constituency theory (Tsui, 1987, 1990; Tsui and Gomez-Mejia, 1988; Tsui and Milkovich, 1987). Although this draws heavily from other theories described above, it primarily reflects stakeholder theory (Freeman, 1984), which argues that there are different groups representing different needs and interests competing for the resources of an organisation or subunit. Although there is much dispute over the definition of a stakeholder (Miles, 2012), this does introduce a resource element with stakeholders competing for resources, a market element in that entities may create value by promoting their services to different stakeholder groups, and a political element where different stakeholders may exert different levels of power and influence over an entity – in this case, the HR subunit of the organisation or HR function.

It is proposed that this study will draw upon existing theory rather than attempt to develop a new theory of HR reputation. However, it will attempt to inform theory development and identify implications for developing a theory of HR reputation. As a result it is intended to start from the position of Tsui's multiple constituency theory. There are two basic components to multiple constituency theory: descriptive – explaining how things work; and normative – explaining how things ought to work. Tsui (1990) applies this theory to HR subunits focusing on the descriptive component. The intention was to assess the effectiveness of the subunit on the basis of their ability to meet the expectations of other

subunits of the organisation that are interdependent with it. However, the central tenant of multiple constituency theory is that the perceived effectiveness of the subunit is dependent on the extent to which it satisfies one or more of its constituencies' needs. This parallels the empirical evidence for HR's role in mediating the often conflicting needs and demands of a variety of stakeholders with varying degrees of power and influence.

The work will also be informed by legitimacy theory, alluding to the role of HR practitioners to seek legitimacy for their actions from the enterprises they serve and to legitimise the strategic role that has evolved over the last three decades. This will also consider which constituency needs HR might be prioritising and whether this might be influenced by the degree of power that the constituency has over the HR function. The theoretical underpinning for the study will be revisited in Chapter 4, discussing the conceptual framework.

1.4 The purpose and aims of this study

This study takes on board the problems and limitations associated with studying HR and reputation detailed above. It starts from the premise that HR has multiple stakeholders or constituencies, all of whom will have different expectations and requirements of HR, and that HR plays multiple roles in organisations; that the evidence, which demonstrates the value and contribution of HR, is open to interpretation and that the profession itself has sought to legitimise its position in organisations as a response to its perceived poor reputation.

The main aim of the research is to develop a scale of measurement for HR reputation. To meet this aim the research hopes to contribute to filling at least some of the knowledge gaps identified above and use this knowledge to inform development of the scale.

Therefore, first, this study will seek to identify the components of HR reputation: which factors and issues contribute to the views and beliefs expressed collectively about HR? Potentially such a scale will enable further research on HR reputation by making it possible to audit HR reputation and investigate differences between different workplaces and organisations. Ferris et al. (2007: 126) state, 'Until we have some type of scale or assessment device for measuring HR reputation, empirical research will not progress quickly or meaningfully.' The scale might then also be used to investigate whether HR does in fact suffer from a bad reputation and identify the factors that may explain

differences in HR reputation. These four aims influence the research design and the development of the conceptual framework and the extent to which they have been achieved will be discussed in the concluding chapter.

The work will build on previous research, notably from Ferris et al. (2007), Hannon and Milkovich (1996) and Fombrun (1996) to define the nature and components of HR reputation. It will seek to further investigate these to explore how judgements are made about HR in each of the identified areas and enable HR practitioners to become more aware of the varying expectations of different stakeholders. This in turn should enable them to take control of developing their competences and role to deliver a more effective HR service for the future.

1.4.1 Research questions

Based on the aims and objectives of the work described above, the research questions are as follows:

1. What are the theoretical dimensions of HR reputation?
2. How can these dimensions be translated into variables that combine empirically to a measurement scale for HR reputation?
3. What are the drivers of HR reputation?

Following a comprehensive literature review to identify those issues from the literature potentially contributing to HR reputation, a number of subsidiary research questions have also been identified:

1. What are the factors, within each theoretical dimension, contributing to HR reputation?
2. What is the relationship between HR reputation and line management responsibility?
3. What is the relationship between HR reputation and perceptions of HR added value?
4. What is the relationship between HR reputation and HR delivery model?

All of these research questions are discussed in further detail in the light of the literature review and the exploratory work in Chapter 4.

1.5 Research design

The above preliminary discussions of the nature and definition of HR reputation suggest it is multidimensional and perception-based. As a result a pragmatic approach reflecting that the reality of HR reputation is open to constant renegotiation and interpretation is potentially the most appropriate methodological stance. This also fits with the aim of this study, which is to better understand the components and drivers of HR reputation with a view to producing a tool enabling practitioners to better manage the reputation of individual HR functions. The pragmatic approach has elements in common with constructionism (Cameron and Price, 2009). Social constructionism is concerned with how perceptions result from social interaction and context. For this research, the way in which groups and individuals view realities that emanate from social interactions with HR practitioners and functions is of primary concern. It also draws on the work of Dewey (1910), which emphasises the role of 'knowing' and suggests that truth rests on practical outcomes from experiences that are inevitably contextualised by the individual in the light of past experiences. This stance also lends itself to a mixed methods methodology combining a qualitative approach to better understand the components or antecedents of HR reputation with a quantitative approach to develop a scale of measurement.

Scale development has been approached using the framework proposed by DeVellis (2011) comprising eight stages. A literature review and qualitative study were designed to address the first two stages of the frameworks, deciding what to measure and generating an item pool for data collection. Given the lack of attention paid to HR reputation in the literature, it was considered important to ensure that the most relevant factors potentially contributing to the shaping of perceptions and judgements about HR were identified. The literature was therefore initially reviewed as broadly as possible to consider the factors most likely to be influential on organisational members, and the qualitative work designed to review these factors empirically and identify any others not identified from the literature.

The review started from the research questions, which were used to define the starting point of literature that might inform the experience of HR for individuals and took a sense of direction from that literature to identify further issues for exploration. Initially a broad list of search terms was produced starting with HR reputation, corporate reputation, HR effectiveness, HR value, trust, HR skills, HR competence, HR roles, line managers and

HR, HR leadership, HR business performance, employer branding. In addition key sources were reviewed including Human Resource Management Journal, International Human Resource Management Journal, Strategic Management Journal, Human Resource management, Personnel Review, Personnel Psychology, HRM Review, HRD Review and Corporate Reputation Review. These sources were examined to identify any new findings and insights relevant to HR reputation and tertiary sources were also reviewed to identify any emerging debates or trends. Initially this list of terms was searched using the broad MySearch provided by BU library. To ensure the search was as thorough as possible relevant databases were also searched using the same search terms. These databases include Business Source Ultimate; Elsevier eLibrary; Emerald Insight; PsycARTICLES; PsycINFO; Sage Journal Online; Scencedirect; Scopus; Springerlink; Web of Science; Wiley Online Library.

As many of the debates around the strategic nature and contribution of HR management to business are potentially key to understanding how reputation has been developed, reviews and research findings from 1990 onwards have been considered, spanning the time period when it is agreed by a number of commentators (Guest, 1987; Storey 1992) that HR started to make the shift from a transactional to a strategic contribution in organisations. However as considered later in the introduction, HR appears to be a constantly evolving discipline and therefore as much contemporary literature as possible has also been considered.

The research focus was then refined from the issues and themes identified, as suggested by Cameron and Price (2009). Themes were evaluated and evidence reviewed to consider which areas and themes were most likely to contribute to perceptions of HR management and hence reputation. The relevant literature was then organised under these themes in the resulting literature review. These two stages also contributed to generating items for the data collection tools from both literature and empirical observation, combining both inductive and deductive methods.

Stages three and four, determining the format for measurement and reviewing the item pool, are concerned with reviewing the data collection items and designing the methodology. Experts in both HR and research methods were used to review the items. In addition the views of the interviewees for qualitative work who represented the target audience for data collection were taken into account. This was considered important for

content validity, as found by Bastos, Celeste, Faerstein, and Barros (2010). In line with the need for a large data pool for scale development (Kline, 2000), a large-scale survey of employees in organisations with an HR function was planned preceded by a pilot survey that used exploratory factor analysis (EFA) – because it is considered to be effective in identifying the latent variables or factors of a measure by exploring relationships amongst observed variables. However, it does allow for more subjectivity, which can be a problem (Roberson, Elliott, Chang, and Hill, 2014). Accordingly, confirmatory factor analysis (CFA) was used with the main scale data, as suggested by DeVellis (2011, who advocates the combined use of EFA and CFA. CFA enables the hypothesised factor structure suggested by EFA to be evaluated. A combination of multiple fit indices was also used here to provide further validation, as suggested by Morgado, Meireles, Neves, Amaral, and Ferreira (2017) in their review of scale development practices.

Hence the pilot study was used to address stage five, validating the items and the main survey addressed stages six and seven, administering the items and validating the items using CFA. Finally, stage eight was addressed by comparing the ensuing scale of HR reputation with other validated scales of well-being, motivation and organisational citizenship, all of which are used to measure outcomes that are suggested as individuals outcomes of HR activity and in line with the recommendations of Kline (2000) and DeVellis (2011).

The main study data collected 468 useable responses. However, as it was not feasible to collect additional data, this data was split into two data sets. The first data set (n=268) was analysed using confirmatory factor analysis to assess model fit as discussed above. The second (n=200) was used for optimising the scale (stage eight) and for regression analysis to identify variables that might explain differences in HR reputation and correlations and analysis of interrelatedness to test content, criterion and construct validity. The main study data was also then used following validation to consider whether or not HR does in fact suffer from a bad reputation, how views of HR might differ across the dimensions of the scale, and to test the hypotheses developed in Chapter 4.

Despite a number of practice-based reports from the CIPD on the dimension of the effectiveness of HR (Anderson, 2008; CIPD, 2012), a large-scale survey collecting the views of employees or their HR functions from a range of perspectives has not been

carried out before. Therefore the results should also prove informative on the views and experiences of employees of HR activity.

All of the studies discussed above are discussed in Table 1.1 below, and these plus additional work have been designed to answer these research questions, which informed the literature review.

Table 1.1: Summary of studies

Study	Action and purpose	Sample
Qualitative exploratory study	Semi-structured in-depth interviews and focus group. Exploring the construct of HR reputation and confirming by empirical observation if the potential factors contributing to HR reputation identified by the literature review do in fact shape HR reputation and generating items for quantitative work. This work aligns with the pragmatic, social constructionist approach outlined above by providing rich data to assess different views and different interpretations of the actions and behaviours of HR functions and practitioners within them.	Interviews (n=15): 10 HR managers, 3 line managers, 2 HR/employment policy researchers; Focus group (n=8): line managers with responsibility for managing at least two people.
Pilot study	Reduction of initial item pool and confirmation of factors using EFA. This study aims to take an empirical stance to assess the data to identify the factors that are most likely to describe HR reputation which are based on the underlying principles identified from the literature review and the qualitative study.	UK-based employees (n=120)
Main study, part 1	CFA to confirm factors and determine model fit. Regression and correlation to test reliability and content, criterion and construct validity. The study aims to make sense of the factors contributing to HR reputation.	UK-based employees (n=268)
Main study, part 2	Comparison of HR reputation scale with other validated scales of motivation, well-being and organisational citizenship to further test construct validity. This study is designed to validate the scale and test its validity and suitability for practical application.	UK-based employees measuring HR reputation (n=268) UK-based employees measures motivation, well-being and organisational citizenship behaviours (n=200)

1.6 Structure of the report

The results of the studies referred to in section 1.5 above are reported in the subsequent chapters. Chapter 2 reviews the literature and discusses the nature of HR reputation as currently identified in the literature. The literature has been reviewed to attempt to define HR reputation by first identifying the key concepts that frame the construction of perceptions of HR at different levels of the organisation, and second by examining the potential antecedents of HR reputation and their relationships with each other. This literature review also further discusses the role of the HR and business performance literature in driving reputation and the difference between intended and actual outcomes from HR practices and how this may shape perceptions and judgements of HR.

Chapter 3 presents the results of the exploratory qualitative study designed to further investigate the issues identified from literature. The study attempts to confirm whether these issues are in fact components of HR reputation, identify any other issues that might have an impact on HR reputation, and generate items for the pilot survey questionnaire.

Chapter 4 presents the theoretical and conceptual framework for the study, including the theoretical model. It also discusses in greater depth the different theories that inform the work, refines the research aims and objectives as informed by the literature review and exploratory work, and presents the hypotheses for testing in the quantitative work.

Chapter 5 presents the data findings and the various stages of scale development. It reports the exploratory factor analysis (EFA) of the pilot study, the resulting amendments to the model and survey items, and the confirmatory factor analysis (CFA) of the main study. In addition, it contains the analysis undertaken to establish content, criterion and construct validity and presents the final scale.

Chapter 6 presents the results of further analysis of the control items and the results of regression analysis, analysing variables which potentially contribute to differences in HR reputation such as line management responsibility, whether HR is delivered in-house or through shared service centres, and the education level, age and tenure of respondents. It also considers what the data tells us about HR reputation.

Chapter 7 presents further discussions from the entire study and the final conclusions. It also contains a discussion of the limitations of the work, direction for further work, and potential practical implications for theory and practice.

2. Literature review

Research and literature specifically focused on HR reputation is scarce, as discussed above in the introduction. However, a great deal of literature on organisational performance, corporate brand, trust, HR roles, perceptions, line management and skills has implications for reputation (including HR reputation) and it is in the light of this body of literature that HR reputation is examined. The review contains literature published until September 2017. Much of this literature emanates from a North American/European context. However, some UK-centric work has been carried out, particularly that funded by the CIPD with a view to proving the link between HR practice and organisational performance, some of which replicated work in the US (for example, Guest et al., 2003).

The purpose of this literature review is to review what the literature says about HR, HR reputation, and to review some of the issues and factors that may be contributing to HR reputation. The review therefore starts with considering in detail the nature of reputation in the business context and how this relates to the reputation of HR as a profession or function. It goes on to the potential outcomes from a 'good' or 'bad' reputation. It then considers whether reputation might exist at different levels in the organisation. At the highest level is the reputation associated with HR activity at the corporate level and the contribution to business performance. At the departmental level, the reputation of the function is considered along with the extent to which it supports effective operations. At the individual level, reputation is considered in terms of how individuals are supported to maintain good employment relations. Finally, the review then considers a number of issues and the extent to which the literature provides support for them as potential antecedents of HR reputation. The main question the review is trying to address is what potentially needs to be studied to get a greater understanding of how HR reputation is informed and potentially measured.

This review focuses primarily on academic sources (the process for identifying these is outlined in section 1.5 above; however, where appropriate some of the work published on HR practice has also been considered to review what practitioners deem to be important concepts and issues impacting on the profession. This review informed the research and identified the starting point for scale development. Unless we can understand how reputation is shaped and the key factors that are instrumental in doing so, it will be very difficult to understand what such a scale ought to be attempting to measure.

For each area of the review, a list of key sources was first identified through the use of search terms and prior learning and experience. Key journals were reviewed for new findings and insights relevant to the issue under review and tertiary sources used to identify the key debates and trends. As many of the debates around the strategic nature of HR are potentially key to understanding how reputation has been developed, reviews and research findings from 1990 onwards have been considered, spanning the time period when it is agreed by a number of commentators that HR started to make the shift from a transactional to a strategic contribution in organisations. However, as considered in the introduction, HR appears to be a constantly evolving discipline and therefore as much contemporary literature as possible has also been considered.

2.1 Understanding the nature of reputation and HR reputation

Although HR reputation has not been studied in detail to date, there is research on corporate reputation from which parallels can be drawn. There are several interpretations of corporate reputation, with different disciplines tending to adopt different definitions of reputation (Gotsi and Wilson, 2001). However, the most often cited definition of reputation is that of Charles Fombrun, who describes it as 'a perceptual representation of a company's past actions and future prospect that describes the firm's overall appeal to all of its key constituents when compared with other leading rivals' (Fombrun, 1996: 72). Pfarrar, Pollock, and Rindova, (2010) suggest that reputation is the product of consistent behaviour that delivers outcomes valued by stakeholders. Both definitions imply that reputation is based on how observers view the actions and behaviours of the organisation and the judgement they make about this in terms of what their future behaviour and activities might look like. If these definitions are applied to HR, we might assume that HR reputation is formed by judgements made about the activities and behaviours of HR practitioners and how this informs stakeholders' opinions about the likely outcomes from such behaviour and activities.

As discussed in the introduction, Hannon and Milkovich (1996) define HR reputation as a shared judgement of a company's HR philosophies, policies, and practices. Viewed in the context of the definitions of corporate reputation above, we might also assume this shared judgement is likely to result in views on the likely outcomes of HR activity. However, there is still the question as to what level of experience stakeholders are basing these judgements on: in terms of their own individual experience and the extent to

which HR enhances their work experience, the impact of HR on organisational effectiveness, or its contribution to organisational value?

Because of this complexity, before an attempt is made to define HR reputation, views of HR will be explored from a number of dimensions. The position of HR has shifted significantly over the past few decades, from a transactional administrative function to a strategic one (for example, Caldwell, 2004; Storey, 2007). In addition, HR has many stakeholders and their environment is made up of numerous constituencies, often with competing demands (Sheehan et al., 2014; Tsui and Milkovich, 1987). This would suggest that any definition of HR reputation needs to be informed by this multidimensionality.

Reputation overall is viewed as a valuable asset. Good reputation brings an increase in power (Herbig and Milewicz, 1993; Pfeffer, 1992) and autonomy (Hall, Blass, Ferris, and Massengale, 2004), where individuals or entities that are deemed to be more competent or skilled are given more scope to develop and use that skill or competence. There is also evidence that a positive HR reputation is of benefit to organisations; for example, favourable HR reputation signals, such as being named a 'great place to work', can have a positive effect on share price (Hannon and Milkovich, 1996).

Ferris et al. (2007), in their discussion of the nature of HR reputation, argue that the work on the people and performance link (for example, Guest et al., 2003; Huselid, 1995; Arthur, 1994; Pfeffer, 1997) has increased the importance of HR management and hence HR reputation. By stressing both the role of HR functions in linking strategy to operations and the potential for HR practitioners to contribute to organisational performance through effective use of HR practice, this work has focused attention on the role of HR in raising productivity and performance. This infers that HR reputation has not changed, but that as HR has been thrust to the fore, gaps in knowledge or competence have become more visible. However, at the same time, work on HR roles (for example Ulrich, 1997) has stressed the segmentation of HR between the strategic and the operational activity, raising awareness of the administrative nature of much HR work and the divide between this and the strategic element of HR.

HR is a product of history and context. HR itself grew both from the welfare movement of the early twentieth century (Kaufman, 2007) and the concept of scientific management

(for example Taylor, 1914), which sought to quantify and pursue the most efficient methods of using labour. Accordingly, this gave rise to problems emanating from the incompatibility of the interests of workers and capital (Kaufman, 1993). The idea of people-centred policies encouraging mutuality of interests between workers and employers did not emerge until the second half of the twentieth century. Furthermore, it was only once organisations realised that people and not technology were the major source of competitive advantage (Pfeffer, 1994) that the HR function's role in raising performance was actively studied (for example Arthur, 1992; Guest et al., 2003; Huselid, 1995). Until that time, much of HR was transactional and its added value limited to the industrial relations sphere of managing conflict (Storey, 2007). This history, coupled with the rapidly changing view of HR as administrators to creators of value, has significantly altered the structure and delivery of the function and hence it is entirely possible that perceptions of current HR activities are informed by knowledge of a past and entirely different set of HR activities.

Furthermore, HR departments with a strong reputation may be more able to compete for resources and influence, further securing their position (Pfeffer, 1992; Ferris et al., 2007). Better understanding of what contributes to reputation and how the knowledge that underpins reputation is generated would therefore be helpful to enable understanding of how reputation is built and the consequences of a negative or positive reputation to the business.

2.1.1 HR reputation at different levels of the organisation

Studies of organisational reputation, whilst focusing heavily on reputation at the corporate level, also recognise that reputation is formed at departmental and individual levels and is dependent on the perceptions of disparate stakeholder groups (for example see Walker, 2010; Cwaik, 2014). Therefore, it is entirely possible that HR perceptions too may vary according to the level of operation: individual, department or organisation. Work on HR effectiveness has often utilised a multiple constituency framework (Tsui, 1990; Tsui and Gomez-Mejia, 1988; Tsui and Milkovich, 1987), identifying the stakeholders who depend on and exert influence on HR departments. Earlier work suggests that HR's ability to meet these demands may be a significant component of reputation (Pfeffer and Salancik, 1978; Thompson, 1967) and indeed effectiveness of the department may well be a significant component and antecedent of HR reputation.

Another argument for considering HR reputation at different levels in the organisation can be found in the debate about the pluralist versus unitarist approach to HR. The movement towards human resource management (HRM) in the 1980s and the empirical work on HR and performance in the 1990s assumed a unitarist approach, that both employer and employee want the same thing – successful organisations – and that certain HR practices are in the interests of both. However, both Ramsey, Scholarios, and Harley (2000) and Godard (2001) carried out empirical work that supported the idea originally put forward by Guest (1999) and Purcell (1999) that there are negative factors for employees in the drive for higher performance, including stress, burnout and dissatisfaction. Paauwe (2004) also emphasises the duality of focus for HR between added value and economic rationality versus moral values and relational rationality.

In investigating the nature of HR reputation, it would therefore seem appropriate to consider whether HR reputation is pluralist or unitarist – whether it is informed by different perceptions held by different stakeholders operating at different levels of the organisation, or whether there will be one single view. Both approaches potentially represent a different approach or mindset to HR and influence the perceptions made of it. Those holding a unitarist view may be frustrated when HR appears to favour certain stakeholder interests over others, whereas those holding a pluralist view may assume that HR will behave differently towards different stakeholders in order to satisfy their diverse needs and expectations, perhaps prioritising the needs of more powerful stakeholders.

2.1.2 HR intention versus outcome

The ability, motivation and opportunity (AMO) model adapted by Purcell, Kinnie, Hutchinson, Rayton, and Swart (2003) and Kinnie, Hutchinson, Purcell, Rayton, and Swart (2005) began to question the difference between intended HR practice and actual outcome. This was further developed by Wright and Nishii (2007), among others, who made a distinction between different types of HR practice. They distinguished between intended HRM practices reflecting HRM strategy and policies, which were often designed and initiated by HRM practitioners; actual HRM practices reflecting the enacted practices by line managers; and perceived HRM practices reflecting the employee perceptions of the actual HRM taking place in an organisation. This reflects two trends in strategic HRM research over the past two decades. The first was to establish a link between HR

performance and firm performance, which has now largely been established (although causality has not) and accepted in both the business and the academic worlds. The second is to identify the mechanisms that link HR practice to performance. Several authors have identified the need to understand the mediating factors in the relationship between HR and performance in more detail (Dyer and Reeves, 1995; Guest et al., 2003; Wright and Gardner, 2003). More recently, Chadal, Jyoti, and Rani (2016) have identified organisational learning as a key mediator between perceived high-performance HR practices such as training, performance management, and empowerment, and business performance. Boselie et al. (2005), however, found that very little attention has been paid to the causal chain linking HR policy and practice to business performance. Guest et al. (2003) concluded that whilst their study (at that time the largest company-level UK study) showed a strong association between performance and HRM, it failed to demonstrate causality. This they attributed at least in part to the absence of any evidence of when or how HR practices were introduced, identifying instead the existence of identified high-performance practices regardless of the process employed to implement them.

Further work investigating the implementation of HR practice by line managers was carried out by Purcell and Hutchinson (2007:16). They concluded that the crucial links in the causal chain are between ‘...the employee experiences of people management, the formation or modification of attitudes towards the employing organisation and the job and the inducement these provide to engage in certain types of discretionary behaviour’. This implies that experiences of HR practice as delivered by line managers are fundamental to the sharing of attitudes and perceptions among individual employees and ultimately perceptions of the employing organisation as expressed in the employment practices. However, because line managers deliver HR practices, they are also open to re-interpretation and renegotiation. This can lead to variations in their application (Currie and Procter, 2001; Stanton, Young, Bartram, and Leggat, 2010), meaning that different employees may experience such practices differently, which may in turn influence their perceptions of HR and HR practice.

It is possible that the perceptions of senior managers, line managers and employees of HR practice differ both because of their different positions in organisations and also because of their different interests. Senior and line managers are more interested in multiple practices with organisational outcomes, and individuals are more concerned with individual practices with personal outcomes. As a result, different groups may have very

different expectations and perceptions of the outcomes of HR practice, irrespective of the intention attributed to the practice itself. However, the body of research described above does imply that it is not the existence of HR practice that is important, but the perception of the purpose and intention of that practice. It may therefore be the outcome of the practice that is more influential on HR reputation, rather than the practice itself.

2.2 Developing HR reputation at the organisational level

Corporate reputation exists at the organisational level and can be defined as 'the collective experience of those who work for and deal with the organisation' (Fearnley, 1993: 4). There has been an emerging practice of organisations seeking to differentiate themselves to customers and other stakeholders by managing their brand image. This is linked to the idea that positive brands drive success (Deephouse and Carter, 2005; King and Whetten, 2008), because they are more difficult to imitate than other corporate assets (Barney, 1991; Wright, McMahan, Snell, and Gerhart, 2001). The value of brands is thought to be worth up to twice the book value of their tangible assets, and is likely to become an even bigger factor in the market for corporate control (Fombrun and van Riel, 2004; Martin and Hetrick, 2006; Martin, 2009). In addition, there is emerging empirical proof of a strong link between corporate reputations, brands and financial performance (Dowling, 2004; Roberts and Dowling, 2002). Lockwood (2004) argued that HR could partner with senior managers to drive corporate reputation because human capital is a critical driver and hence HR's ability to implement strategic policies to leverage that capital is of vital importance. For example, HR can focus on policies to enhance employee competence or drive employee performance and customer service (Boxall and Purcell, 2011).

How HR adds to or detracts from corporate reputation is not considered in detail in the literature. The possible exception is the issue of HR's ability to recruit talented employees and promote fair treatment of employees, which has been shown to be related to corporate reputation (Clardy, 2005; Koys, 1997; Turban and Cable, 2003). It has also been found that employee layoffs impact negatively on corporate reputation (Flanagan and O'Shaughnessy, 2005). Previously, Friedman (1997) suggests that HRM indirectly influences corporate reputation through increased employee competencies, motivation and organisational identification. Armed with these attributes, employees then interact with stakeholders in ways that foster corporate reputation. Hence, if the process of

motivation and development is considered in light of the corporate reputation an organisation wants to develop, HR can be instrumental in bringing that desired reputation about by designing practices that drive and reinforce the desired behaviours or attributes.

Another area of corporate reputation that can be influenced by HR is that of employer branding. Employer branding suggests that organisations can differentiate themselves as 'employers of choice' to attract the best and brightest talent (Martin and Hetrick, 2006). Employer brands are most successful when the external message fits with the internal experience of people management practice (Barrow and Mosely, 2005). This has two implications for HR: first, aligning employees' experiences, views of the corporate brand, and behaviours to that which would be implied by the corporate brand; and second, viewing employees as customers who have to be communicated with and given a positive experience. However, there is evidence that HR has to date been either unable or unwilling to grasp the implications of their role in driving corporate reputation through employer branding (Martin, 2009).

For the HR function and senior practitioners, reputation can support their activities by giving legitimacy to their actions – demonstrating activities are legitimate and appropriate within a given context (Suchman, 1995). Hence, the more highly that HR functions are thought of, the more their actions may be deemed important and relevant to the design and delivery of corporate strategies. Institutional theory tries to explain how firms change over time and purports that firms need to conform to institutionalised practices to be legitimate (Meyer and Rowan, 1977). Galang and Ferris (1997) specifically examined the role of HR in establishing firm legitimacy and found that HR functions and practitioners can contribute to legitimacy in a number of ways. First, they can establish policies and procedures that make sense to their stakeholders and conform to what they expect to find in a particular industry. Second, they must convince stakeholders that they are acting in their best interests whilst adding value to the business. This implies that senior HR practitioners need to establish some level of trust between them and their stakeholders and that they are likely to conform to perceived trends in terms of the policies and practices they offer. Galang, Elsik, and Russ (1999) further imply that for HR to have a positive reputation, they must themselves conform to the norms and values of the organisation. This implies that HR reputation is contextual and likely to vary from organisation to organisation. It also suggests that HR's ability to establish trust and design practices is likely to be limited by the prevailing opinions within the organisation.

It may also imply that if HR functions are concerned to establish their legitimacy at the corporate level, they will be influenced more by powerful stakeholders such as shareholders and executives and their demands for value. This may raise their reputation with these stakeholders but not necessarily for employees and line managers, who may see their interests and needs being ignored or sidelined. It is possible therefore that within an organisation HR reputation may be positive at the corporate level but still negative at lower levels of the organisation.

One of the common accusations made of the HR department is that they are not business-focused, and at the corporate level HR practitioners have been encouraged to adopt a strategist role (Ulrich, 1992, 1997; Ulrich, Younger, and Brockbank, 2008), working with the business to achieve business objectives through the proactive use of HR strategy. It is often implied that this is to the detriment of managers and individuals, given that by adopting such a role HR functions are encouraged to prioritise the interests of the business over those of its employees, potentially leading to a worsening of terms and conditions or weakening the position of employees in the employment relationship. In fact, the evidence suggests that this strategist role is the least successful role for HR (Lawler and Mohrman, 2003; Boudreau and Lawler, 2014), which may have implications for HR influence on corporate reputation, either positively or negatively, and certainly does little to correct the view that HR is not skilled in business. There is also evidence that HR managers and senior leaders do not agree on the nature of the impact that HR has on the business (Guest and Conway, 2011), which calls into question their ability to establish their own legitimacy as a positive force working towards business goals.

2.3 HR and organisational performance

The evidence from the HR effectiveness or HR performance link literature would suggest that companies who invest more in their human capital, by developing their employees' skills, abilities, motivation and performance, are more likely to outperform their competition (Arthur, 1994; Boxall and Purcell, 2003; Chahal, Jyoti and Rani, 2016; Guest et al., 2003; Huselid, 1995; Sheehan, De Cieri, Cooper, and Brooks, 2016). From this we could expect to find evidence that a well-defined HR strategy or evidence of good HR practices would enhance corporate reputation. However, generally, companies report only very limited information on their human capital investment and they do not adequately assess the value and contribution of such information (Gamerschlag and

Moeller, 2011). Generally companies report statistics such as training spend, recruitment cost, turnover or absence. However, they often fail to explain these figures in context and what they mean in terms of risks to the business of not acquiring or developing the skills required for future performance. As a result, business analysts do not take HR information into account when making assessments about the relative performance of different companies (Stittle, 2004). However, Gamerschlag and Moeller (2011) suggest that when such information is available, there is a self-fulfilling prophecy and companies that produce more HR information generally outperform those who don't. Furthermore, despite evidence from some surveys (Michie and Sheehan, 2008; Nguyen and Bryant, 2004) showing that HR practice is positively and significantly linked to outcomes such as innovation and profitability, doubt still remains as to the causal effect of HR on performance (Guest, 2011; Wright et al., 2005). This inability of HR to definitively demonstrate its impact on organisational performance is a significant factor potentially influencing perceptions and judgements about the function itself.

Whilst causality remains in some doubt, there has been some success in demonstrating the impact of HR on the organisational climate that promotes performance (Boxall and Purcell, 2003; Purcell et al., 2009). There has also been work that demonstrates that HRM can contribute to a strong organisational climate, which can shape behaviours and perceptions (Bowen and Ostroff, 2004; Schneider, Salvaggio, and Subirats, 2002). This, coupled with work on the service profit chain demonstrating that employees' work experiences impact on the experience they provide for customers (Heskett, Sasser, and Schlesinger, 1997; Schneider and Bowen, 1995; Schneider, Ehrhart, Mayer, Saltz, and Niles-Jolly, 2005), suggests that employee perceptions about their employment relationship may be linked to customer perceptions of service quality. Bowen and Pugh (2009) demonstrate the links between strategic leadership, HRM practice and the climate for employee well-being, which in turn shapes behaviours that enhance customer satisfaction. This work further strengthens the idea and perceptions that HR decisions and HR practice shape behaviours and attitudes, which potentially have significance for performance outcomes.

Although there is lack of agreement in the literature on the nature of the link, there is a weight of evidence that has been used successfully to persuade organisations that there is a link between the way people are managed and organisational outcomes. However,

this link is perhaps better understood by reviewing the evidence that HR impacts individual performance outputs.

2.4 HR and individual performance

The work on the link between HR practice and business performance suggests, as discussed above, that this link operates by increasing individual levels of performance or discretionary effort. To try to understand this link further, many researchers have examined individual responses to HR practice in the form of increased motivation, job satisfaction or well-being. Much of this is around employee perceptions of HR practices and how this might differ from the intentions of managers in implementing those practices (Piening, Baluch, and Ridder, 2014). Increasingly, at the practice level HR practitioners are concerned to understand if their practices result in a more motivated, satisfied and engaged workforce. Employee engagement was originally discussed by Kahn (1990) as essentially a new approach to motivation with a behavioural perspective based on the dimensions of physical, emotional and cognitive engagement. However, as academic interest in the concept of engagement increased, commercial HR consultants began to develop their own ideas, such as the development of the Gallup Q12 (Harter, Schmidt, and Hayes, 2002) and statistical rather than conceptual tools to measure engagement. The publication in 2009 of the Macleod Report, which was endorsed by the government and contained the views of many leading CEOs and academics, gave further legitimacy to the concept of engagement in the eyes of practitioners. This report explored the potential of employee engagement to raise UK productivity and close the gap between the UK and the rest of Europe, and as such did much to raise the profile of the concept and drive additional research into the nature of the construct of engagement. However, despite considerable interest and a range of studies on engagement, the concept still remains ill defined and it is unclear whether it has anything new to offer (Guest, 2014) other than the more embedded constructs of motivation and satisfaction.

The literature reveals a clear distinction between research into work engagement, which is concerned with the impact on individuals in the form of well-being or satisfaction, and organisational engagement, which is primarily concerned with the impact on organisational performance (Guest, 2014). Not surprisingly, the latter has received the most attention from both practice and academia in the quest to close the productivity gap and drive up organisational performance. As a result, some of the more negative

consequences of engagement have often been neglected (Boxall and Purcell, 2011) Guest, 2002; Ramsey, Scholarios and Harley, 2000). Numerous studies have identified the mediating role of employee attitudes, satisfaction, motivation and organisational citizenship behaviours (OCB) in the link between HR practice and performance (Kuvaas, 2008; Snape and Redman, 2010; Sun, Aryee and Law, 2007), indicating that improved organisational performance is based on the behaviour responses of individuals to certain practices or combinations of practices. However, Saks (2006) found a meaningful difference between job and organisational engagement, with individuals scoring higher on job engagement indicating that they engage more strongly with the work they are doing than with their employing organisation. Robertson and Cooper (2009) found the current focus on work engagement is too narrow and that sustainable benefits for both business and employees can only be found by integrating employee well-being into the wider concept of engagement. The concept of employee well-being was also picked up in many practice models of engagement, with well-being increasingly being measured as both an input to and an outcome of engagement. For example, the Business in the Community Workwell model suggests that worker well-being is both a prerequisite for engagement and an outcome of an engagement strategy that promotes challenging and enjoyable work and good communications. Further work by the Kingston Engagement Consortium (Gourlay, Alfes, Bull, Baron, Petrov, and Georgellis, 2012) found that employee well-being can be adversely affected by over-engagement with certain aspects of their work and that workers who over-engage exhibit more levels of stress and burnout.

Support for the idea that there is a direct link between perceptions of HR and performance outcomes is provided by Alfes, Shantz, Truss and Soane (2013), who find that both perceptions of HR practice and perceptions of line manager support are directly and positively related to engagement, which in turn mediates the link with individual performance. Guest (2014) also argues that work engagement relating to individual behaviours is a more clearly defined and evidenced concept and hence we understand more about how HR can influence individual behaviour than its link with organisational performance.

This body of literature gives support for reviewing the role of well-being, motivation, satisfaction and organisational citizenship as potential outcomes of HR behaviour and practice. This is particularly relevant to HR reputation, as the evidence suggests that

these outcomes are impacted by how HR practices are perceived by individual employees rather than the intentions of managers in implementing the practice. The difference between intention and outcomes of practice will be discussed in greater depth later in this review, as will the implications for HR legitimacy.

2.5 Reputation of the HR function

The nature of HR as a function and the nature of the HR relationship with line managers suggest that HR has to influence stakeholders without possessing any influence over them (Ferris et al., 1995). In addition, Sheehan et al. (2014) argue that although the executive positioning of HR functions might imply legitimacy, individual HR managers will also have to establish their own power to exert influence over their stakeholders. This potentially presents problems for HR practitioners attempting to present themselves as legitimate professionals in possession of a professional body of knowledge on managing people.

Exacerbating the problems of HR legitimacy, the HR function exists within a network of multiple constituencies who each depend on, and potentially exert varying levels of control over, the function (Tsui and Milkovich, 1987). As a result there may be confusion as to the reaction demanded of HR, which may be reacting to several different constituencies at once. This may detract from its ability to exert power and establish legitimacy in the eyes of at least some of its constituents, who may dismiss HR as irrelevant or as only concerned with the needs of certain constituencies other than theirs. Hence reputation of HR may vary between constituents depending on the level of service they are experiencing and the extent to which HR is meeting their expectations or requirements. This in itself could be a driver for the professionalisation of HR, causing HR practitioners to attribute greater importance to the drive to position itself as a legitimate profession with a discrete body of knowledge and skills.

At the departmental or professional level, the social identity of belonging to a particular professional group, as in the case of HR, has a role to play in reputation. Professional reputation is defined by the aggregate perceptions of key stakeholders (Roberts, 2005) and therefore professionals have a vested interest in managing their professional image, as this enables them to achieve social approval, power, well-being and career success (Ibarra, 1999; Rosenfeld, Giacalone, and Riordan, 2001; Schlenker, 2003).

However, it seems that HR's perceptions of its own professionalism may not always be shared by others (Ferris, Blass, Douglas, Kolodinsky, and Treadway, 2003; Guest and Conway, 2011). There may be an inconsistency between the perceptions of the different HR stakeholders and HR practitioners themselves of the HR professional image. Roberts (2005) suggests that using impression management behaviours such as monitoring the perceptions of others, motivating themselves to adjust their own perceptions and constructing an acceptable self-image can manage this imbalance. One of the motivators for doing so is to build professional credibility in the eyes of others, but in order to do so individuals might have to suppress their own personal values to meet the expectations of their profession (Hewlin, 2003). However, this may be the only option if HR practitioners are concerned to establish their legitimacy in the eyes of their constituents or stakeholders.

Most studies have focused on line managers' views of HR departments (for example, Wright et al., 2001) or those of employees (for example, Gibb, 2001; Geare, Edgar, and Deng, 2006). Such studies have consistently found that HR departments evaluate their service more highly than other stakeholders. However, if it is likely that different stakeholders have different expectations of HR (Buyens and de Vos, 2001), it is also likely that HR will not be able to satisfy all of their stakeholders simultaneously and therefore may make value judgements about which stakeholders they need to satisfy to positively impact on their position and image. This is supported by Tsui (1990), who found that senior managers rate HR departments more favourably than line managers, who in turn rate them more favourably than employees. Further support for this idea is found in Geare et al. (2006), who find that each HR stakeholder is primarily concerned with the fulfilment of their self-interests and therefore will have different priorities on which they will judge the HR department. The assumption that all HR stakeholders are pursuing the same objective is, therefore, open to challenge. In fact, there is evidence to suggest that line managers have a less positive view of HR than more senior managers, possibly because they feel pressured by the devolution of HR practice to the line (Purcell and Hutchinson, 2007).

This thinking links into the different roles put forward for HR by Ulrich and others (Storey, 1992; Ulrich, 1997), with different stakeholders ascribing different priorities to the fulfilment of different roles. For example, senior managers may believe the strategist role to be a priority whilst managers and employees are more concerned with the

administrative or professional expert role (Sanders and van der Ven, 2004). Some studies suggest that there may be conflict between the different roles of HR (Sheehan et al., 2014) and this may impact on the different perceptions of HR image. For example, employees may be expecting HR to act in their interests as employee champions, whereas shareholders may be expecting them to act in the interests of the business as business strategists. This begs the question: whose side is HR on? Do their efforts to achieve legitimacy cause them to meet the need of more influential stakeholders to the detriment of less powerful groups?

Much work has been done on the relationships between line managers and HR functions. Much of this work assumes that all stakeholders are working towards the same objectives, namely that HR practices are designed to assist or facilitate organisational performance (Wall and Wood, 2005; Purcell and Kinnie, 2007) and presupposes that all HR stakeholders will work with the HR function to achieve this objective (Caldwell, 2004). HR stakeholders include line managers, senior managers, trade unions and their officials, and employees (Paauwe, 2009). The views and assessments of all these stakeholders are relevant to shaping HR's decision-making ability and image (Tsui, 1990). However, De Winne, Delmotte, Gilbert, and Sels (2013) suggest this may not be the case and that different groups have different preferences for HR roles. For example, trade unionists value operational roles, whereas line managers prefer process-oriented roles. Although both have comparable expectations and ambitions in HR – namely successful implementation of HR practice – they compete with each other for influence over the HR decision-making process. In doing so, their aim is to further their own interests, intimating that line managers may not always behave rationally when making HR decisions but may be influenced by the actions of influential stakeholders.

Although different practices may be developed within HR departments, they are invariably delegated to line managers for implementation (Purcell and Hutchinson, 2007; Gilbert, De Winne, and Sels, 2011). Therefore, a pivotal part of the influence HR departments are likely to have on individual perceptions of HR is bound up with the relationship they build with line managers (Guest and Conway, 2011). If those line managers do not behave rationally, focus on their own rather than team interests or do not appreciate the intended outcomes for HR practice, this might lead to very different perceptions of HR from employees and other stakeholders.

This presents numerous issues for the nature of HR reputation within the HR function itself. The fragmentation and devolvement of HR activities has made it less clear what HR do and therefore more difficult for HR to establish legitimacy. Because they are not seen to be delivering practice themselves, it can be difficult for employees to fully comprehend their role. HR has many stakeholders, all of whom may view the HR role differently and have different needs and expectations. Inevitably, it seems more powerful stakeholders will exert more influence over which HR practices are implemented and how they are carried out. In addition, because HR is experienced by employees through the lens of the line manager, HR is less able to control or overtly influence their individual experiences. This may mean that any attempts by HR to present a professional image are limited by differing perceptions of the HR role and experiences of HR practice as delivered by line managers.

2.6 Individual perceptions of HR

At the individual level it is the individual who interprets HR practice or strategy according to his or her own experience. Wright and Nishii (2007) observe that although actual HR practices might exist objectively, there can be variance in their implementation, and because each individual will interpret them within a different framework of experience, there may also be considerable variance in the way practices are perceived and the employee response they trigger. As a result, the outcomes from perceived practice may be very different from that intended.

Dyer and Reeves (1995) classified the types of performance outcomes which research into HR and performance focuses on. They proposed that performance outcomes could be categorised as employee, organisational, financial, and market value outcomes. The things employees have direct control over, such as absence or the amount of discretionary effort expended would represent employee outcomes. Organisational outcomes would be expressed in terms of productivity or effectiveness, financial in terms of profitability and market value in terms of share price or equity value. The extent to which HR practices will impact on organisational performance or effectiveness will therefore largely be determined by how effective they are at triggering the intended response and that in turn will depend upon how consistently practices are perceived and how effective other stakeholders are at transferring that response into organisational, financial or market outcomes.

Nishii, Lepak, and Schneider (2008) demonstrate that employees make assumptions about the purpose of HR practice, which will affect their attitudes. For example, if they believe the organisation's motivation for introducing a certain practice is to promote employee well-being, they are more likely to have a positive attitude towards that practice and interpret it positively. This may in turn suggest that the reputation of individual managers or the extent to which employees trust their motives may be important in mediating the perception and impact of HR practice. Furthermore, Nishii et al. (2008) found that these perceptions about HR practice can become embedded at the unit level, meaning there may be sub-sets of perception leading to different behaviours and attitudes between different groups of employees. This equates to the findings of Purcell and Hutchinson (2007), who found that line managers as the implementers of HR practice mediated the perceptions of practice of individual employees and hence the relationships between HR practice and performance.

Once again it would appear that the way in which individuals experience and perceive HR practice delivered by line managers or HR practitioners themselves is likely to be influential in shaping their perceptions of the HR function. It would also appear that these experiences and perceptions are likely to differ between groups, potentially leading to unit-level influences on behaviour and action. However, perhaps most importantly, it would also seem that line managers may influence perceptions of HR depending on how they deliver practices and how they work with HR practitioners and functions to achieve the intended outcomes of such practices. Individual employees' views of HR may therefore be mediated by their line management experience.

2.7 Defining HR reputation

Hannon and Milkovich (1996) define HR reputation as a shared judgement of a company's HR philosophies, policies and practices. This is similar to Fombrun's (1996) definition of corporate reputation as being a perception of past and future actions. However, unlike corporate reputation, HR reputation is formed at multiple levels in the organisation in a climate of competing stakeholder demands and expectations. As a result, potentially different judgements and evaluations can be made at different levels in the organisation and by different stakeholders.

HR reputation may therefore be a combination of how the actions, behaviour and performance of individual HR practitioners and HR functions or departments are perceived at the individual level and how these perceptions and judgements are shared across the organisation. Reputation is not a straightforward value judgement by stakeholders and will depend on the environmental and political context in which HR is delivered – how HR is positioned and led, what services are expected of it and the extent to which individual HR managers and departments are trusted to implement practices as intended. It might also mean that whilst stakeholders might value HR as a service, they may still not believe it adds value to the business other than to comply with legal and administrative requirements. Therefore, whilst we can simply define HR reputation as an aggregate of stakeholder perceptions, we cannot divorce it from the different levels at which perceptions are formed and the different pressures and limitations being brought to bear on those perceptions which are dependent upon context.

As such, HR reputation is not always a variable that can be observed in itself. It is dependent on perceptions that may comprise, or be influenced by, a number of issues or concepts. Hence HR reputation could be described as a latent variable, which is best understood by analysis of the variables that contribute to its construction. Section 2.8 will attempt to identify what these issues might be.

2.8 The status of theory in HR reputation

Ferris et al. (2007: 125) concluded that theory has ‘a long way to go’ (in terms of HR reputation). One of the problems in developing a theory is the limited work that has been done on the construct of HR reputation. To date there is no empirical or theoretical understanding of what it is that contributes to views of HR. Until this is better established, it is likely to be very difficult to understand the process dynamics that are instrumental in developing the shared judgement and perceptions of HR that form HR reputation. Work has been done on perceptions of HR (for example Buyens and De Vos, 2001) and HR effectiveness (see Chang, 2005; De Winne et al., 2013; Guest and Conway, 2011; Wright et al., 2001). However, as discussed above, effectiveness does not imply a positive reputation for HR practitioners or HR functions. Whilst they may be considered effective on one level, they may still not be perceived as meeting expectations or adding value. Hence, although HR effectiveness may be an important component of reputation, it is not a substitute. Many of these studies discussed above rely on strategic theory or the

resource-based view of the firm and the theory that value is added by building a human resource base that reflects strategic needs of the business.

However, it is also apparent that much of the work on HR effectiveness has been used to legitimise the role of HR in adding value to the organisation and hence seeks to enhance reputation. Much of this work has been supported by the profession and the CIPD and used in attempts to professionalise HR, positioning it as a value-adding activity and demonstrating the importance of HR to business (see CIPD, 2012). The CIPD work, however, tends to be limited to the practical context with limited theoretical underpinning. In addition, most of this work has been carried out solely in the UK and influenced by the historical context of UK HR management and, in particular, the shift from an industrial relations to a strategic role. As such, it is difficult to differentiate work that is objectively assessing the contribution of HR, and HR functions in particular, to organisational effectiveness, and work that has been designed with the aim to legitimise the profession rather than to seek new knowledge.

Suchman (1995: 574) defines legitimacy as 'a generalised perception or assumption that the actions of an entity are desirable, proper or appropriate within some socially constructed systems of norms, values, beliefs and definitions'. Galang et al. (1999: 48) examined the role of legitimacy and institutionalisation, focusing exclusively upon HR, describing legitimacy as '...the collective construction of meaning, and communication of information'. This implies there is general consensus that actions are appropriate to context and much of legitimacy theory deals with how organisational structures have gained acceptance from wider society. Applied to HR this is an appealing concept that HR as a profession may gain acceptance in the business world as the drivers of organisational effectiveness and hence business value. Within the UK and drawing on the history of the HR profession, at least some of this work might be seen as seeking to win back the legitimacy that was conferred by an HR role, which was dominated by negotiating collective agreements on behalf of organisations, and therefore positioned HR firmly within the senior management cadre.

In terms of HR reputation, there is much to commend legitimacy theory as a theoretical idea upon which to build further work. Galang and Ferris (1997) found that often HR departments used symbolic action to establish their importance or legitimacy to the organisation. Much of the work on establishing the link between people management and

business performance (Purcell et al., 2009) was concerned with positioning HR as the drivers of this link, legitimising their role as value-adding rather than incurring the necessary costs of people management administration. This is an approach that was again supported through the CIPD, which allocated significant funds to research designed to prove the worth of HR in driving performance.

Stakeholder theory also potentially has a role in underpinning HR reputation research. Stakeholder theory asks what responsibilities management have towards their various stakeholders (Freeman, 1994). Work on HR roles (Storey, 2007; Ulrich, 1997) recognises that HR has multiple stakeholders, which might lead to role tension in HR as HR managers struggle to reconcile the competing interests of different groups of stakeholders (Sheehan et al., 2014). Tsui's multiple consistency framework for HR effectiveness and reputation (Tsui, 1987, 1990; Tsui and Milkovich, 1987) recognises the HR department operates in an environment of multiple constituencies consisting of employees, senior managers, customers and other stakeholders in the business. As discussed above, perceptions about HR may be made at different levels with different constituents preferring different HR activities or having different expectations of HR. Hence, HR responsibility to their various stakeholders may significantly differ. As a result they may behave differently or occupy different roles depending upon which stakeholder interest they are serving at any given time.

Finally, power theory may also have a role to play in understanding HR reputation. If power is a result of dependency for critical resources, as some authors suggest (Pfeffer, 1997), the power of HR should have increased in line with the growing recognition of the importance of people or human capital to business. The strategic human resource movement provides some evidence that this is the case (Storey, 2007), although, as suggested above, there is still doubt about HR's ability to be strategic or to keep pace by developing their competence and skill in line with changes in the economy and workforce. Despite these doubts, HR departments have undoubtedly become more autonomous and higher profile in recent years, with firms increasingly dependent on their ability to raise performance through motivation of employees and to develop the firm-specific skills necessary for success. However, this does not mean HR has become more accomplished in these skills. It is further apparent from anecdotal evidence published by the CIPD that HR and their stakeholders do not agree on what HR should be doing or how HR strategy contributes to business success, which seems to be questioning HR's

power in organisations. Although not an academic study, this does seem to demonstrate a fundamental schism between the views of managers and the views of the profession as to how HR adds value, which has implications for how HR is perceived and judged by its stakeholders.

2.9 Issues contributing to perceptions of HR reputation

Before we can move forward in understanding HR reputation, we have to understand more about the construct of HR reputation, what contributes to it, and how judgements and perceptions about HR are formed. An initial review of the literature suggests that potentially there are five issues that may impact or contribute to the construct. These are the expectations different stakeholders have of HR service, how HR is positioned and led, the context in which HR is delivered – social, economic and political – the extent to which HR departments and managers are trusted to implement practice in accordance with intentions, and the skills and the capabilities of HR practitioners to deliver that service. Each of these issues is discussed below with reference to the literature, reviewing some of the main works that discuss each of these issues. The literature is discussed in the case of each issue in terms of how this issue might have the potential to influence perceptions and judgements of HR on one or more levels within the organisation.

2.9.1 Expectations of HR service

A relationship exists between HR and its stakeholders, all of whom have certain expectations of HR service, which may vary according to their position in the organisation. This can be broken down into expectations of HR's contribution to the business strategy, the expectations of the HR function to support people management and drive effective people management practice, and the expectations of individual HR practitioners to act professionally and deliver good-quality HR support and advice.

Guest and Conway (2011) conclude there is a strong case for taking a stakeholder perspective when judging the effectiveness of HR practice because of the different roles adopted by different stakeholders. For example, HR managers are responsible for designing practice, line managers for implementing it, and senior managers for making judgements about investment in human resources and HR practices, all of which may be different from the perceptions of employees on the receiving end of them. Truss et al.

(2002) argue that line managers' expectations of HR will help to shape the HR function and are important because the strategic role of HRM has to be delivered in partnership with the line.

When managers and individuals have raised expectations of HR, it would appear that this enhances the HR strategic role (Uen, Ahlstrom, Chen, and Tseng, 2012). So when more is expected of HR it appears they also deliver more. HRM research (Ferris and Judge, 1991; Galang and Ferris, 1997) demonstrates both the importance of management perception and the ability of HR practitioners to manage and manipulate those perceptions. Put simply, the more able HR practitioners and the HR profession are at promoting positive perceptions of their ability, the more likely it is that they will actually achieve successful outcomes and enhance their reputation.

HR practice may also impact employees' perceptions and expectations about other activities, such as those associated with change (Maheshwari and Vohra, 2015). A number of researchers had already suggested that HR practice can enhance readiness for change (Kalyani and Sahoo, 2011; Fitz-enz and Davison, 2002; Ulrich, 1997), and one of the most commonly cited reasons for the failure of change initiatives is the lack of attention paid to the people aspects of change (Spiker and Lesser, 1995; Kotter, 1995). Since the idea of a strategic change agent role emerged, HR has been put forward as an incumbent for this role (Caldwell, 2001; Storey, 1992; Tyson and Fell, 1986; Ulrich, 1997). However, there has been less empirical evidence suggesting how HR fulfils the role of strategic change agent than exhortations they should do more to facilitate change (Alfes, Truss, and Gill, 2010), indicating that perceptions may be based less on actual observed action and more on the level of involvement HR appears to have given the importance the literature attaches to this role.

At the organisational level, perceived value of HR may be shaped by the failure of HRM research to demonstrate a firm association between people management practice and business performance (Guest, 2011). Despite all the empirical evidence that HR practice is associated with better business performance (for example Huselid, 1995; Arthur, 1994), there is still dispute that HR effectively drives performance. Some of this can be attributed to the different indicators of performance that are used by different studies. Guest and Peccei (1994) noted that a range of indicators could be used as a proxy for HR effectiveness, including workforce-related measures such as absence, retention, and

so on. Other studies such as Wright and Nishii (2007) emphasise the importance of measuring effectiveness of implementation as a way of accounting for the difference between intentions and outcomes of practice. Uen et al. (2012) argue that HR participation at the strategic level is positively related to the quality of HR service and the extent to which HR as a profession meets the expectations of its stakeholders – meaning that an HR department that provides good quality service will be more influential (Cialdini, 2006; Pfeffer, 2010). They also contradict the view of Wright et al. (2001) that there are different perceptions between line managers and HR managers about HR's contribution.

A further issue potentially influencing perceptions of HR is the context within which senior managers make judgements about the impact of HR practice and therefore the value of HR investment. The context will, to a large extent, determine the measures used by managers and others to determine the effectiveness of the performance of HR.

Researchers vary in the unit level of analysis they use to determine HR effectiveness.

Some focus on the individual level, measuring individual performance outcomes such as job performance, well-being or engagement (for example, Seibert, Silver, and Randolph, 2004; Wright and Boswell, 2002); others have looked at firm-level performance relating to productivity (for example, Guest et al., 2003; Huselid, 1995; MacDuffie, 1995). However, both are a move away from viewing HR as a cost to be reduced rather than an asset to be maximised. Nevertheless, return on investment (ROI) and return on assets (ROA) models have remained popular (for example Mayo, 2001) as methods for quantifying HR benefits. However, such models are of limited value in the HR sphere because of the qualitative nature of much of the HR output. As a result they often rely on secondary measures such as absence and retention, which can be quantified as indicators of qualitative issues, for example satisfaction or motivation. Lim, Chan, and Dallimore (2010) proposed an integrated measure of human capital in response to the limitations of current accountancy models to fully understand and explain the influence of human capital on return on investment and equity value. They found that investors and executives have different perspectives in the value of human capital, with the emphasis on financial measures, where real human capital evaluation requires a number of indicators capable of evaluating the intellectual resources of the firm as well as the physical.

Whilst such models may prove more valuable in assessing the actual contribution of HR within business, once again they are open to perception, unlike pure quantitative models, which are based on more factual and objective data. In addition, HR practice needs to be

adapted to its context, which may result in different outcomes from the same practices in different contexts – which may add to the measurement and interpretative difficulties of assessing HR's contribution.

At the departmental level there is also evidence suggesting that perception of practices to assist in managing people, such as training, performance appraisal or communication, may differ from perceptions of HR practitioners' ability to implement these practices. In particular there is doubt that HR practitioners can deliver practices in a manner that will achieve their potential to raise performance or improve outcomes for employees or employers (Guest and King, 2004). Furthermore, they may have different perceptions of the value of such practices (Anderson, 2008). Whereas managers may accept the value of good people management and establishing positive line manager relations, they do not always believe their HR colleagues have the ability to contribute to this or deliver value-adding people management practices. Guest and King (2004: 217) comment: 'while there was an acceptance that good people management was good for business, the HR department and the staff in it, with the exception of specific HR directors, were not generally seen as contributing to this.'

As the HR role has changed, more and more of the operational tasks, such as recruitment, performance management and reward, have been devolved to line managers (Den Hartog, Boselie, and Paauwe, 2004). However, line managers are not always willing to implement HR practice themselves, nor do they necessarily have the skills or the time to do so (Purcell et al., 2009). This can potentially lead to line managers having frustrated expectations of the HR department and the support it offers them. Consensus between HR and the line drives effective people management, and when HR has a poor reputation among line managers, or line managers perceive they are getting a poor HR service, it is less able to deliver policies and get support for initiatives (Wright, McMahan, McCormick, and Sherman, 1998). Chen, Hsu, and Yip (2011) also noted that discrepancy in perceived HR effectiveness between HR and line managers was negatively associated with perceptions of future firm performance.

This is not to neglect HR's role in up-skilling the line to develop their people management competencies. The perceptions of individual employees of HR practice are shaped by their implementation, usually done by line managers. Purcell and Hutchinson (2007) suggest a symbiotic relationship between HR practice and front-line leaders in that HR

practices need to be effectively applied by front-line leaders with appropriate people management skill. However, there is also evidence that managers are not always equipped with those skills. Even when they are, they may themselves experience some conflict between their operational and managerial roles (Conway and Monks, 2010).

There is also evidence from some studies that although HR may be committed to developing the people management skills of line managers, line managers may not recognise the importance of HR knowledge for the successful implementation of their management duties (for example, see Chiu and Selmer, 2011). Furthermore, Conway and Monks (2010) found that the HR practices valued by employees are not always the sophisticated practices advocated by the HR literature as those more likely to drive performance. They found that non-HR employees are more concerned with the fundamental principles of the employment relationship, such as reward and job role. This reflects the view that what HR delivers within the organisation may not always reflect the key concerns of their internal customers (Chuang and Huang, 2010).

The literature demonstrates that there may be close links between the expectations different stakeholders have of the HR function and the judgements they make about HR's performance and effectiveness. These expectations will differ between employees, line managers, senior executives, investors and others, and will be informed by the context and the outcomes on which stakeholders choose to judge HR.

2.9.2 Positioning and leadership of the HR function

The very idea of HR leadership, HR practitioners in leadership roles, is relatively new (Holbeche, 2010), and although many studies imply a leadership role for HR, little has been written about the nature of that role. Holbeche (2010: 35) quotes David Smith, former HR director of ASDA, as saying, 'The mark of a great HR leader is to be as un-HR like as possible,' and supports this statement by advocating a wider breadth of responsibility outside HR to develop HR leadership skills.

Much of the work that does exist on HR leadership focuses on what leaders do rather than who they are and how they lead (Wells, 2013). Ulrich and Brockbank (2005) argue that HR leaders need to master the concept of value. They need to appreciate that their actions add value to the ability of those in the organisation to reach their goals. But,

perhaps unfortunately, HR often talks about value without specifying what this means (Losey, Meisinger, and Ulrich, 2005).

Essentially, adding value to other roles and activities in the business should be at the centre of the HR business partner role. The aim of the business partner model put forward by Ulrich (1997) is to help HR practitioners integrate more thoroughly into business processes and to align their day-to-day work with business outcomes. In the Ulrich model, the HR business partner role could be implemented at a number of levels and is not exclusive to business leaders. It can be observed in organisations that many people with the title 'business partner' are operating at the assistant or junior manager level. Ulrich and Brockbank (2009: 6) state: 'As business partners, HR practitioners will increase their focus on creating value for key external constituents: customers, capital markets, competitors and communities.' This implies that value can be created both at the strategic and the operational or effectiveness level, which may also imply that HR could add value at one level and not the other.

Buyens and De Vos (2001) found that HR can add value in four domains: managing strategic HR, managing infrastructure, managing employee contribution, and managing transformation or change. However, the level of value will vary between organisations depending on how the domains are organised. In this model the perceived value of HR to the organisation depends not only on the roles it fills but also on how it interacts and aligns with the wider organisation.

Ulrich's (1997) initial work was a response to his acknowledgement of the poor reputation enjoyed by HR. 'It is often ineffective, incompetent and costly; in a phrase, it is value-sapping' (Ulrich, 1997: 124). One of the five roles described by Ulrich is that of HR leader. Later Ulrich and Brockbank advocated a more generalist role for HR to ensure that HR activities are integrated with each other and are focused within an overarching HR strategy linked to business strategy. They argued: 'HR adds greater value when structured as an integrated function rather than operating in separate silos such as training and development, recruitment and selection, reward management and employee relations' (Ulrich and Brockbank, 2005: 28).

However, HR's success in filling the HR business partner role envisaged by Ulrich has been mixed. Hird, Sparrow, and Marsh (2010) found that many of the attempts to

implement the business partner model were unsuccessful largely because of insufficient skills from either HR or line managers and a knowledge gap created by the separation of the administrative and strategic functions of HR. In addition, Payne (2010) found that line managers rated the importance of the strategic HR role much more highly than the ability of HR practitioners to carry it out. Later research by Sheehan, De Cieri, Cooper and Shea (2016) suggests that when HR have higher-level political skills, they are more likely to both enhance the impact of HR on performance and be more influential in strategic decision-making. Hence the question remains: which comes first, position or skill?

Other issues too can be seen arising from the redesign of the HR role that took place as a response to the work by Storey (1992) and later Ulrich (1997) and Ulrich and Brockbank (2005). One of these is that HR is becoming the tool of senior management rather than generators of value throughout the business. Wright and Snell (2005) argue that HR leaders must 'distinguish between decisions that are driven by the business and decisions driven for the business' (Wright and Snell, 2005: 181). They argue for a focus on long-term organisational viability rather than short-term investor gain.

Guest and King (2004) found that although the work on roles had a profound effect on how HR was delivered, many senior HR practitioners were reluctant to move into the boardroom, feeling themselves ill-equipped, and Caldwell (2003) suggested that Ulrich's prescriptive vision of HR roles might promise more than HR practitioners are able to deliver. Later Francis and Keegan (2010) found that pressures to reduce costs and increase competitiveness and align HRM more strongly with business strategies have caused HR practitioners to lose touch with employees and their needs. Rather, they are encouraged to promote business goals over those of individuals and deliver HR services from a remote and often physically distant HR function, which relies on e-HR as the main form of communication.

Coupled with the rise of the business partner role has been the rise of shared service centres, where the more administrative and process orientation activities of HR functions can be located, to improve efficiency and reduce costs (Scully and Levin, 2010). Shared service centres play a role in both centralising and de-centralising HR at the same time. On the one hand, services are centralised, delivering services to different organisational units and even different organisations. But on the other, they allow HR responsibility to be devolved to the business units (Janssen and Joha, 2006; Strikwerda, 2004; Ulrich,

1995), enabling more local delivery of HR practice. As such, shared service centres contain two fundamental elements: consolidating HR resources and delegating the ownership of HR practice to their customers – employees, managers and HR practitioners. It is argued that one of the benefits of shared service centres has been that it frees HR from time-consuming administrative tasks, enabling them to focus on the strategic and business partner roles and creating a closer relationship with the business (Reilly, 2000). However, a number of studies have found that shared service centres do not meet the needs of their clients (for example, Meijerink and Bondarouk, 2013) and offer poorer quality advice and less tailored support. This may even cause tension between HR and the line and dissatisfaction from HR's customers (McCracken and McIvor, 2013).

The literature suggests that how HR is led, the roles it chooses or is allotted to play and the relationships it builds in the organisation are all instrumental in shaping HR outcomes. It also demonstrated that the way in which HR services are delivered, centrally through shared services centres and locally through the business partner model or devolution of HR practice to line managers, may cause tensions and influence the expectations and perceptions of employees and managers of HR. As a result, several issues potentially make this concept worthy of investigation with regard to its contribution to HR reputation. The first is the model of delivery of HR services and how remote or local this model is from HR customers, employees and managers. The second is the extent to which HR functions are able to demonstrate added value within the context they are operating. And the third is the roles that HR choose or are expected to play in organisations and the relationships this enables them to build with senior executives and line managers and the extent to which there is tension between these roles.

2.9.3 HR and the line

Line managers are defined as anyone who has a management responsibility for one or more other people, and much attention in the literature has been paid to the role of the line manager as the implementer of HR practices (Purcell et al., 2003; Wright and Nishii, 2007). The development of strategic HR involved the devolvement of day-to-day transactional people management activities to the line, supported by HR practitioners (Den Hartog et al., 2004; Gilbert et al., 2011). This has led to a redefinition of the relationship between HR and line managers and the idea that people management is

delivered in partnership with the line (Whittaker and Marchington, 2003) and not the sole responsibility of an HR department. Previous research on the role of line managers and particularly the stresses within that role (Katz and Kahn, 1978; Slattery, Selvarajan, and Anderson, 2008), as well as theoretical work on HRM (Bowen and Ostroff, 2004; Wright and McMahan, 1992), suggest that line managers may experience some ambiguity in their people management role which may lead them to perceive they are subject to work overload and lack the support of HR practitioners. In addition, empirical observation of HR practice demonstrates that the relationship between HR and the line is often characterised by role ambiguity and tension (McGuire, McGuire, and Sanderson, 2011).

Partly this relationship between HR and line management is driven by the theory that better integration between HRM and business strategy will contribute to business performance by creating a unique workforce resource (for example, Michie and Sheehan, 2008). It is also seen to benefit HR by freeing them from the operational aspects of HR to focus on strategy, and to benefit line managers by enabling them to provide local and immediate responses to HR issues. Finally, it is argued line managers' new focus on people management will also provide benefits for employees because the line manager becomes more concerned to drive commitment and job satisfaction (Francis and Keegan, 2006; Gilbert et al., 2011; Purcell and Hutchinson, 2007; Whittaker and Marchington, 2003). However, integration of HR with business strategy, coupled with the devolution of HR practice implementation to the line, presents a paradox in that both are performing contradictory tasks and both rely on the support and knowledge of the other to fulfil their role (Rimi and Yusoff, 2014). Op de Beeck, Wynen, and Hondeghem (2016) further find that although the key to establishing a good HR–line partnership is shared understanding, there is little clarity around the role each party is prepared to play and considerable discrepancy between the expectations that both HR and line managers have of each other.

Trullen, Stirpe, Bonache, and Valverde (2016) have observed that HR can have an impact on how line managers implement HR practices by involving them in the design of practices, enhancing their implementation abilities and framing them in appealing ways. Further evidence from Kuvaas, Dysvik, and Buch (2014) suggests that line managers will perceive HR practices positively if they are also positive about the training and support they have received from HR. This in turn will lead to them being perceived by the employees they manage as supportive supervisors, which impacts on the motivation,

commitment and turnover intentions of employees. All of this suggests that cooperation and understanding between HR practitioners and the line are necessary requisites for successful implementation of HR practice.

There have been several studies investigating the negative aspects for employees as HR has shifted from an operational to a strategic focus. The compatibility of the business partner and employee champion roles has been questioned and there are indications that shifting towards a strategic role has caused HR to focus on business priorities, potentially at the expense of employee interests. Francis and Keegan (2010) for example identify a number of tensions that arise from the shift towards shared services in HR functions, which include the fragmentation of HR work, distancing HR services and support from employees and managers, and creating an imbalance between the focus of people-oriented and business-oriented HR roles. This might imply that rather than fostering cooperation and support between HR practitioners and the line, the strategic focus of people management is shifting HR away from people-oriented activity and more towards business issues.

There are several issues here that may be relevant for the reputation of HR. The shift in focus for HR towards a business-oriented strategic approach is bringing with it a number of tensions. Not least is with the people-oriented role of HR, which requires the function to have a regard for employee well-being through health and safety, fair reward and driving the commitment and satisfaction of individual employees. A further issue is the discrepancy in expectations that line managers and HR have of each other. There is evidence that they disagree on the levels of accountability and skills each require to successfully deliver HR practice. For example, there is evidence that HR practitioners lack the skill to develop business-oriented people management strategies and line managers are often ill equipped to deliver effective people management practice. Finally, barriers to HR and line cooperation may also have implications for the way HR is perceived by line managers.

2.9.4 Context of HR practice delivery

HR is contextual by nature; there is no 'best' way to manage people, just the way that is right for the prevailing conditions. This is the central tenet of the strategic fit approach to

HR (Wright and Snell, 1998). This means it is not unreasonable to suggest that the context may also dictate what 'good' HR looks like or how 'good' HR is perceived to be.

Much of the research (Huselid, 1995; Guest et al., 2003) on the people and performance link looked for the existence of HR practices and made an association between the presence of practices and level of performance. It did not distinguish degree or effectiveness of practice or investigate how practices were delivered. However, more recent work demonstrates that how these practices are implemented and perceived has a strong mediating influence on their impact (Woodrow and Guest, 2013; Jiang, Lepak, Hu, and Baer, 2012). Many of these studies use a human capital approach or are based on the ability-motivation-opportunity (AMO) model, looking at how delivery of HR practice cues behaviours which translate human capital into organisational performance (Boxall and Purcell, 2003; Purcell et al., 2009; Hyde, Sparrow, Boaden, and Harris, 2013).

If implementation is as, or more, important than the content of HR practice, the context in which HR is delivered needs also to be considered alongside the practices themselves. There is evidence that the guiding principles or philosophy that guide HR practice delivery can have significant consequences for both the outcomes and the HR choices organisations make (Monks, Kelly, Conway, Flood, Truss, and Hannon, 2013). Monks et al.'s study attempted to bridge the gap in understanding about the processes that underpin HR systems and explored the difference between commitment-based and productivity-based HR configurations. It found that commitment-based configurations were underpinned by philosophies that focused on improving employee capability, whereas productivity-based configurations focused on maximising efficiency and productivity. The former resulted in positive outcomes for employees, such as increased job satisfaction, morale, self-esteem and commitment. The latter produced no positive benefits for employees, who reported high stress levels, lower job satisfaction, frustration with the lack of job opportunity, low participation in decision-making and fewer training or knowledge-sharing opportunities. This supported the idea that different approaches to or philosophies of HR can result in very different outcomes and experiences for employees, even if the same practices are implemented.

The resource-based view of the firm suggests that HR practices can add value because they are socially complex and linked in a way that makes them difficult for competitors to imitate (Wright, McMahan, and McWilliams, 1994). Furthermore, studies by Ferris,

Arthur, Berkson, Kaplan, Harrell-Cook, and Frink (1998) and Kopelman, Brief, and Guzzo (1990) found that HRM influences individual attitudes and behaviour as well as organisational outcomes according to the way in which employees interpret the organisational climate.

Bowen and Ostroff (2004: 204) investigated the role of HR process: 'the features of an HR system that send signals to employees that allow them to understand the desired and appropriate responses and form a collective sense of what is expected'. Similar to the work of Monks et al. (2013), their research indicated that employees' response to HR process can have an effect on organisational performance and can determine how employees perceive HR. They attribute this to building a strong HRM system – one in which individual employees share common understanding of what behaviours are expected by the organisation. 'Further, the characteristics of strong HRM systems are more likely to promote shared perceptions and give rise to the emergence of a strong organisational climate about the HRM content' (Bowen and Ostroff, 2004: 213). Purcell and Hutchinson (2007) made the same distinction, noting that whilst HR practitioners may design HR practice, line managers or non-HR specialists influence the process through which they are administered. As a result the extent to which line managers are trained in people management and given the time and recognition for this part of their role may influence perceptions of HR process.

Other studies find there are other factors that may also impact upon the context in which HRM is delivered and hence influence perceptions of both HR practice and process. These might include the leadership model, social relationships and the structure of the organisation (Ostroff, Kinicki, and Tamkins, 2003). All of these issues may influence how individuals view and share information about HRM. Bowen and Ostroff (2004) conclude that when factors are coupled with each other, such as a strong HR systems and strong line managers, there are likely to be stronger relationships between HR and performance than if such factors occurred individually.

There is some further evidence to suggest that practice or HRM systems may be interpreted differently according to the firm level at which they are operating. Dysvik and Kuvaas (2012) also stress the importance of the line manager in interpreting HR practice and argue that they do so within the climate of the local management relationship. Overall there does seem to be consensus that context mediates the interpretation and

outcome of practice, which may also have implications for reputation, and that context may differ both within and between organisations.

2.9.5 Skills and abilities of HR

There are two dimensions to the concepts of HR competence and its impact on reputation. First, there is the issue that the profession appeals to the wrong sort of persons, people who want to serve people rather than assist the business (Hammonds, 2005). There is, however, very little empirical evidence to support this view and yet the professional body for HR, the CIPD, did embark on a campaign in 2010 to attract more graduates and individuals from a business background into the profession. Furthermore, HR business focus and skills have been questioned by a number of studies (Caldwell, 2008; Gilmore and Williams, 2007; Ulrich and Brockbank, 2009). The second dimension is that HR practitioners possess the wrong skill set to operate at the strategic level that is now required of them (Caldwell, 2010). There are also some indications from research that HR practitioners have been slow to up-skill and equip themselves for their evolving roles (Ulrich and Brockbank, 2009; Payne, 2010).

In an attempt to effectively communicate what is expected of a professional HR practitioner, the CIPD launched its professional map in 2009 (CIPD, 2015). The map sets out the skills, behaviours and competences for the profession and recognises that different levels of professional HR practitioner may be skilled in different areas and different degrees of professionalism. Gilmore and Williams (2007: 400) defined professionalism as 'an attempt to translate knowledge and skills into a form of social and economic reward'. Hence professionalism leads to enhanced status, entrance to which often requires the attainment of a relevant qualification. The CIPD's objective therefore can be seen as one of raising standards of knowledge and skills to raise the influence of the profession and make it more attractive as a career path for the best talent in the economy. The launch of the map concluded with a speech from the then CIPD CEO, Jackie Orme, committing to developing a new generation of the HR profession, attracting the brightest and the best, and recognising that this had not always been the case. However, as yet there is no evidence to suggest that either HR professionalism or the quality of entrants to the HR profession has risen. Gilmore and Williams (2007) concluded that the CIPD were unlikely to achieve the professionalism and organisational status they desired, and subsequent reviews of HR competence find little evidence of

significant change (Boudreau and Lawler, 2014). In fact, Glaister (2014) found evidence that the trend for outsourcing of HR was actually inhibiting HR from acquiring professional skills, and Payne (2010) found line managers still rated HR managers' abilities lower than HR themselves rated their skills.

The overarching question is, can we identify the competencies HR practitioners need to add value and can we find evidence that they do indeed possess such competence? Following on from Ulrich's extensive work mapping the competencies of the HR profession, Ulrich, Brockbank, Yeung, and Lake (1995) were able to verify three main types of HR competence: management of change competencies, delivery of HR practice competencies, and knowledge of the business competencies. They concluded there were five areas where HR needed to develop, which included developing confidence and delivering on business results. Ulrich, Younger, Brockbank, and Ulrich (2013) revisited the area of HR competence and identified six domains of knowledge and skill for HR practitioners. They argue this shows the promise for HR to develop the skills to add value. However, as yet their research only demonstrates low to medium effectiveness for HR in any of these skill areas.

Caldwell (2008) cast doubts on HR competency models, finding they are weak at predicting HR performance or ability to add value and are heavily context dependent in that context is a strong predictor of the extent to which the competency models are believed to be effective. However, this work was based on perceptions of competence, with respondents asked to rate the effectiveness of HR business partner competency models in their ability to select and develop business partners, link HR to business strategy, and predict business partner performance. Ulrich, Brockbank, Ulrich, Kryscynski and Ulrich (2015) – commenting on this increasing number of HR competency models being put forward by the HR professional bodies, including the CIPD – identify a number of confusions over what is expected of HR practitioners. This suggests there is considerable scope to better define the competencies needed from HR practitioners to be successful, as there is for leadership development.

It would seem that skill might well be influential in shaping HR reputation, with skill potentially instrumental in affording HR managers more influence in strategy. Yet poor perceptions of the competency of HR continue to prevail. Despite efforts to raise the game in HR, doubts linger as to the ability of HR practitioners to rise to the challenge,

and it would appear that efforts to professionalise HR have potentially been diluted by the changing nature of the delivery of HR in organisations.

2.9.6 Trust

Trust has been a continuing theme in the management literature for the last decade. There has been much debate about the definition of trust, but Colquitt and Rodell (2011) summarise the work to date to define it as having confident and positive expectations about a range of issues, including fairness, values and principles, coupled with a willingness to be vulnerable. This is similar to another commonly accepted definition of trust as a psychological state comprising the intention to accept vulnerability based upon positive expectations of the intentions or behaviour of another (Rousseau, Sitkin, Burt, and Camerer, 1998: 395). This can be measured according to the willingness of individuals to act as a result of words or actions by the trustee.

However, the issue of trust is a much contested topic. The literature identifies many different types of trust relating to both personal trust and organisational trust. There are four dimensions of organisational trust discussed in the literature. Distributive justice is concerned with the fairness of the outcomes of decisions and may be influenced by motivation theory or individuals' comparisons of their individual outcomes with those of others (Adams, 1965). Procedural justice is concerned with the fairness of the decision-making process itself and whether this process is based on relevant and accurate information, is consistently used by different actors in the decision-making process, and is collected accurately (Leventhal, 1980; Thibaut and Walker, 1975). Interactional justice is concerned with how fairly individuals are treated during the decision-making process or how respectfully decisions are implemented by authority figures (Bies and Moag, 1986). Finally, informational justice is concerned with how decisions are justified and how transparent they are (Colquitt, 2001; Greenberg, 1993). This suggests that trust is multifaceted and can exist on different levels.

At the personal level, understanding why individuals trust or distrust has long been a focus for psychologists and scholars of organisational behaviour, and the ability to trust has been identified as a healthy personality trait (Erikson, 1963). In the organisational context, an individual's willingness to trust colleagues has been associated with positive outcomes such as enhanced absorption and sharing of knowledge (Abrams, Cross,

Lesser, and Levin, 2003). Lewicki, McAllister, and Bies (1998) found that it is possible for trust and distrust to occur simultaneously. They define trust as having confident positive expectations of another's conduct and distrust as having confident negative expectations of conduct. But these are not opposites and can be operationalised as separate and distinct constructs. Neither does employees' acceptance of authority imply a wholesale endorsement of organisational goals or confidence in the organisation's propensity for positive conduct (Lewicki et al., 1998: 449). Furthermore, Pirson and Malhotra (2011) suggest that trust is relationship specific, and the decision to trust or not is a personal one. They find that when individuals have a shallow relationship with the organisation, trust is based on integrity, but when the relationship is deep, trust is based on benevolence. They also found that internal stakeholders based the decision to trust on managerial competence, whereas external stakeholders are influenced by the organisation's technical competence. This evidence suggests that individuals might trust one aspect of the organisation whilst distrusting others, and that different individuals or stakeholder groups might make different decisions about trust in the organisation or individual organisational members.

Both theoretical and empirical works point to a strong relationship between fairness or justice and trust (Lewicki, Wiethoff, and Tomlinson, 2005). Meta-analysis in both areas has also found positive correlations between the two concepts, although these correlations vary in strength (Colquitt, Conlon and Wesson, 2001). Colquitt and Rodell (2011) consider the debate around the relationship between trust and fairness, concluding that the relationship is reciprocal, with both influencing one another. However, they believe there are still four questions to be answered before the nature of the relationship between justice and trust is fully understood: whether justice is more highly related to some expectations than others, whether estimates of the relationship between justice and expectations are inflated because expectations allude to fairness, whether in fact justice is related to a willingness to be vulnerable, and finally whether concepts such as concern, loyalty, values and principles are antecedents or consequences of justice.

At the organisational level, Alvarez, Barney, and Bosse (2003) looked at trust as a governance device together with other devices including reputation. They concluded that trust and reputation address the same governance issues in the same way and are related to bargaining power, although neither are a substitute for it. Others scholars have considered trust as a source of competitive advantage (Barney and Hansen, 1994;

Ferrin, Blight, and Kohles, 2007), concluding that it can lead to higher levels of cooperation, performance and organisational citizenship behaviours.

In light of these findings, it could be argued that trust may be an influence on the expectations individuals have of HR, with their expectations influenced by the extent to which they trust HR to behave fairly, or their perceptions of fairness influenced their positive or negative expectations of HR behaviour. Their perceptions may also be influenced by the extent to which HR justifies its decisions or the authority with which HR applies the outcomes of decision-making. There may also be issues arising from perceptions as to the extent to which HR delivers the outcomes of decisions made within the HR function itself and the extent to which the HR function and HR practitioners are the vehicle that delivers the outcomes of decisions made by senior management without input from HR. Finally, HR may lose legitimacy if they cannot be seen to ensure that other actors in the decision-making process behave fairly and ethically.

Farndale, Hope-Hailey, and Kelliher (2011) argue that employees' perceptions of HR practice can be explained with reference to theories of organisational justice, with organisational justice playing a mediating role in employees' perceptions of high-performance HR practices. In common with earlier studies (Greenberg, 1990; Folger and Konovsky, 1989; McFarlin and Sweeney, 1992) they found a strong positive relationship between employees' experience of high-performance HR practice and their perceptions of justice, and a strong positive relationship between perceived levels of justice and employee commitment. They echo the findings of Folger and Konovsky (1989), who found that any effort to promote employee commitment must take into account procedural justice or the extent to which employees believe HR process to be fair and equitable.

Although four types of organisational justice have been identified above, the two most common types of organisational justice theory discussed in the literature are procedural justice and distributive justice (Folger and Konovsky, 1989; Greenberg, 1990).

Procedural justice is concerned with the fairness of the process, whereas distributive justice is concerned with the fairness of the outcome. Many authors have suggested that employees' perceptions of the fairness of HR practice will influence their behaviour and actions (Gratton and Truss, 2003; Guest, 1999; Purcell et al., 2003; Wright and Nishii, 2007). This fits with classical process theories of motivation (Adams, 1965; Vroom, 1964), where theory suggests behaviour is influenced by perceptions of the fairness of

the outcomes of that behaviour. This perception of fairness includes both the perceptions that practices are applied fairly and consistently to everyone, and that the outcomes individuals receive in terms of reward or recognition are fairly distributed.

Corporate scandals and excess, often at the expense of the workers, has focused attention on the extent to which organisations can be trusted to act other than in the self-interest of the elite at the expense of shareholders and employees, and this is often considered to be the responsibility of the HR function (Gustafsson and Hope-Hailey, 2016). There has been some work investigating the influence of HR practices on trust in the employer (Whitener, 1997; Gould-Williams, 2003; Searle, Den Hartog, Weibel, Gillespie, Six, Hatzakis, and Skinner, 2011), which demonstrated both direct and indirect relationships between HR practice and trust in organisations. Other literature argues that when employees trust their managers, they are more likely to react positively to HR practices (McAllister, 1995; Macky and Boxall, 2007). However, others point to a loss of trust in organisations and particularly in HR, which workers believe have failed to safeguard their interests against that of big business, in particular with regard to corporate excess (Kochan, 2004). In the drive to become more business-focused and strategic, HR has aligned itself with the interests of managers and organisations above those of individuals (Peterson, 2004), which has perhaps directly led to diminished trust in HR from employees.

Indeed, HR is often assigned the role of ethical stewardship in organisations (Asongu, 2007). There is also a growing argument that HR has lost sight of this role by taking a more unitarist view and aligning itself with the business (Kochan, 2004, 2007), and even when they do recognise their ethical role there is some question as to how able HR are to carry it out (Parkes and Davis, 2013). Even when they are able, they often face challenges in carrying out this role and may be prevented from doing so by the corporate elite. The CIPD's most recent ethical standards, developed in 2009, require HR practitioners to role-model ethical behaviour and have the 'courage to challenge' unethical behaviour. However, the standards also move away from the profession's welfare origins to take a more managerialist stance, aligning HR more closely to business objectives. As such it is unclear how HR is to successfully exhibit these behaviours. Verbos, Gerard, Forshey, Harding, and Miller (2007) argue that to achieve a positive ethical organisation, ethical processes and systems need to align with authentic leadership. HR can play their part by helping to build an ethical culture that is consistent

with both espoused and enacted values. Parkes and Davis (2013) paint a complex picture of HR's ethical role and it would appear that the challenge of ethical behaviour is diminished if HR finds itself in an ethical culture with protection for whistle-blowing and ethical leadership.

Fairness or organisational justice is less about the reality of resource allocation and more about the perceptions of fairness individuals hold about resource allocation or decision-making (Greenberg, 1987). So even if every effort is taken to ensure fairness, if the perception is that it is unfair, individuals will have a negative view of organisational justice. Treating people fairly is positively related to corporate reputation, more so than legal compliance (Koys, 1997), and managers who show integrity and adhere to rules of procedural and interpersonal justice are considered more trustworthy (Colquitt and Rodell, 2011). So by ensuring fair treatment that goes beyond the requirements of the law, HR can positively contribute to corporate reputation, but, conversely, if employees do not perceive treatment to be fair, this may have implications not only for HR reputation but firm reputation as well. In addition, it appears that perceptions of fairness may also be influenced if individuals believe that HR is prioritising the interests of certain stakeholder groups, such as business leaders, above those of others, such as employees or managers, even if their outcomes are still fair. It would seem likely there is a relationship between trust and justice and HR reputation. This is likely to involve both how HR are trusted and whether this impacts on the behaviour of individuals, and HR's role in delivering justice or fair outcomes for individuals.

2.10 Summary

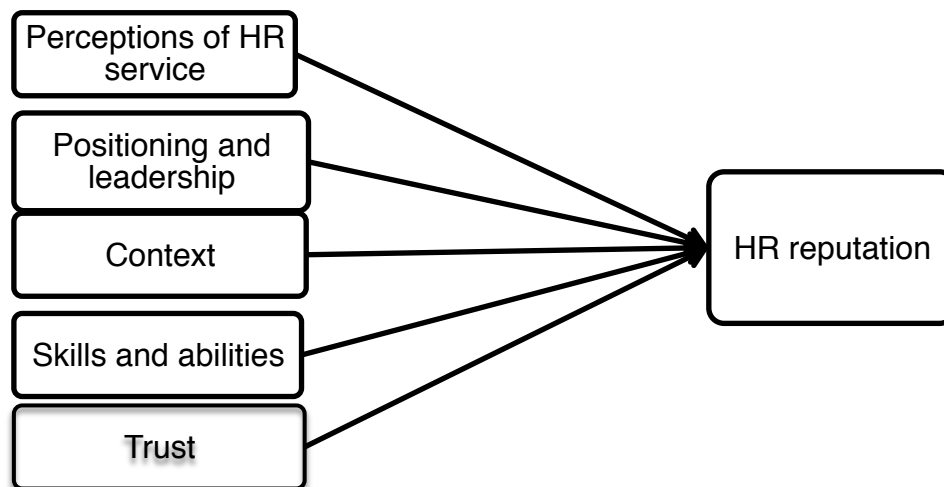
The above review of the literature has discussed the complexity of HR reputation. This complexity is derived from the problems in defining reputation, the numerous theories relevant to reputation, the number of levels on which HR operates, and the variety of contexts which may mediate the impact of HR behaviour, actions and practices. It has identified a number of issues that potentially influence HR reputation and a number of variables that will need to be considered in any discussion of reputation. Sufficient support has been found for these variables in the literature to justify further investigation of their potential contribution to HR reputation. However, there is little empirical evidence that they do in fact contribute to or influence HR reputation, if reputation is defined as the shared judgements held by groups of individuals about the behaviours, actions,

performance and delivery of HR. To establish a construct of HR reputation that is robust, it is going to be necessary to check by empirical observations whether these issues are correct or whether there are other issues which may be as or more relevant to HR reputation. To achieve this, the next section will further explore these variables in a qualitative empirical investigation to test the views of HR and other managers. As well as attempting to confirm that these are in fact the correct issues contributing to HR reputation, that qualitative study will attempt to identify any additional issue which may be important and if there is sufficient evidence to justify including them in the construct of HR reputation.

3. Qualitative exploratory study

Given the evidence from the preceding literature review, the following preliminary model identifying the potential indicators of HR reputation was developed. As discussed in the introduction, an exploratory, qualitative study was designed to determine if in fact empirical evidence could be found to support the theory that these indicators are components of HR reputation and if there are any additional issues or concepts that might also be considered. This study also hoped to identify potential items that would contribute to scale development for inclusion in the data collection survey instrument. Some authors recommend conducting a qualitative pre-study for the purposes of scale development. For example, Hinkin (1998) suggests that if taking an inductive approach to item generation, a thorough understanding of both the literature and the phenomenon under investigation must take place.

Figure 3.1: Potential indicators of HR reputation identified from literature review



This model depicts a number of variables that the literature suggests may potentially contribute to HR reputation. It is intended that the exploratory empirical data collected by means of qualitative interviews will confirm that these concepts or variables do in fact shape HR reputation and identify any additional issues, which may also contribute to views about HR.

3.1 Methodology

This study was designed to gather data on the construction of perceptions pertaining to judgements about HR reputation. It aligns with the social constructionist, pragmatic research stance by collecting rich data from HR practitioners and other managers to develop understanding of the perceptions they are making about HR activities. It assumes that perceptions will be based upon knowledge of the five potential factors contributing to HR reputation that have been identified. It then tests the theory that this will lead to the construction of a shared reality between individuals pertaining to HR reputation. Solomon (2007) defines perception as '*...the process by which people select, organise and interpret...sensations. The study of perception, then, focuses on what we add to these raw sensations in order to give them meaning*' (Solomon, 2007: 49).

Therefore, a social constructionism approach seems the most appropriate, as the informants themselves will give meaning to their perceptions on their interpretation of their observations. Social constructionism sees individuals as integral to their context and assumes a social phenomenon such as HR reputation is contingent upon other social constructs (Burr, 2014). This particular investigation is also seeking to identify any additional factors that might contribute to HR reputation, or additional sources of information that individuals use to inform and shape their perceptions. Hence a positivistic approach would be too limiting, restricted to knowledge that could only be gained by observation and measurement. This is difficult to reconcile with the main purpose of this study, which is to develop a scale of HR reputation and as such is highly dependent on quantitative data. However, this pre-study has been designed to help develop a better understanding of the phenomenon of HR reputation and the factors that might contribute to it. As very little work has to date been done on this area, it is important to ensure that items for data collection sufficiently represent the area of interest, as this will also aid construct validation. Additionally, in exploratory work such as this, it is not always appropriate to impose measures, as the area is unfamiliar; hence a social constructionist approach is appropriate. See Ironson, Smith, Brannick, Gibson, and Paul (1989) and Viega (1991) for examples of this approach.

The literature has already produced some theory, but there is some argument to being open to an inductive approach in this work. Cameron and Price (2009) explain that an inductive approach starts with observations and then organises these with a view to

developing understanding and theory. This research starts with an element of theory derived from the literature above so cannot claim to be purely inductive. However, it does aim to support and develop the theory by observation. The social constructionist, inductive framework chosen lends itself more to a qualitative approach. Qualitative data would enable an understanding of how informants were using their knowledge to develop their perceptions of HR.

The scope of this initial phase of research was limited to the views of line and HR managers only on the five identified factors potentially contributing to HR reputation. Although the views of employees would be extremely valuable in understanding how HR is viewed generally within the business, the literature discussed above indicated that much of their experience of HR would be viewed through the lens of their line manager relationship and therefore their line manager's experience of HR was likely to shape this view.

3.2 Sampling

Respondents were conveniently sampled from known contacts in the HR profession, targeting HR managers who were known to be operating in a variety of HR delivery models. A total of 15 interviews were carried out with individuals. These were made up as follows: ten HR managers were interviewed, three of whom were from the public sector (one NHS, one police authority, one government agency), two from financial services (a large retail bank and a smaller supplier of financial products), and three from large multinationals (a large manufacturer and service company, a pharmaceuticals company and a hotel chain). The remaining two HR manager interviewees came from the not-for-profit and small manufacturing sectors. Three matched interviews were carried out with line managers in the police authority, the large manufacturing and service companies, and the NHS. Each interview lasted between 45 minutes and 75 minutes. Two further interviews were carried out with HR commentators. Participants in the interviews were not sent the questions in advance, although they were informed of the five variables being investigated. Three interviews were conducted face to face and the rest by telephone and all were recorded and later transcribed.

A further eight line managers were consulted using a focus group method. Of these, four were from the public sector, three from private sector service providers and one from a

not-for-profit organisation. The focus group lasted for 120 minutes and participants were asked the same questions as line managers interviewed individually. The group conversation was recorded and transcribed. This means that in total the views of 23 individuals were explored.

Table 3.1: Exploratory study: interviews

Interviewees	Number of interviews conducted	Length of interviews
HR managers 3 public sector (NHS, police authority, government agency) 2 financial services (retail bank, financial products provider) 2 multinationals (manufacturer, service, pharmaceuticals) 1 not-for-profit 1 SME manufacturing	10	1 hour (total 10 hours)
Line managers (1 policy authority, 1 large manufacturing, 1 service)	3 (matched with HR)	1 hour (total 3 hours)
HR commentators 1 CIPD policy adviser 1 public sector union policy adviser 1 Great Place to Work senior researcher	3	75 minutes (total 3 hours 45 minutes)

This convenient sampling strategy has its limitations and does not accurately reflect the population of HR and other managers in the UK. Every effort was made to reflect different sectors and organisations, but nevertheless the results have to be used with caution given the problems of representation. However, as this is an exploratory study to inform further research, such a sample can be appropriate (Cameron and Price, 2009). The potential benefits of the study to examine the factors identified from literature and generate items for the quantitative questionnaire also need to be balanced against the limitation of such a sampling method.

3.3 Interview schedule design

The purpose of this qualitative study is to build on the issues identified from the literature review to determine if they are potentially factors, which are determining HR reputation, and to identify any additional issues which might influence perceptions and judgement about HR. To align with this purpose, the interview questions were designed around the

five factors potentially contributing to HR reputation identified above in Chapter 2, with each individual asked a number of questions to ascertain where they sourced their knowledge and how they interpreted this knowledge to make judgements about HR. In addition a number of open questions were asked about how line managers and HR managers perceived HR and some of the issues and challenges they experienced in their everyday dealings with each other. The questions were developed around the factors drawing on the issues raised in the literature. An initial set of questions was piloted with two HR managers to ascertain if they understood the questions, if they would have enough knowledge to answer them and their opinion on any additional information they would like to know to better understand how stakeholders perceived the role of HR.

Two final interview schedules were produced, one tailored to HR managers and one to line managers. This enabled comparisons to be made between the perceptions or self-image of HR managers and line managers. Both schedules followed the format of asking questions around each potential factor contributing to HR reputation identified in the literature review, but reflected the roles of HR as the providers of HR services and line managers as the recipients. Interviewees were asked to describe specific examples from their own experience relevant to the different concepts. The participants were also asked a number of open questions about other potential issues which might contribute to their views of HR. The interview schedules can be found at Appendix 1.

The focus group also discussed the five identified factors and similar questions were posed for group discussion to those on the line manager interview schedule. The data from this session has been analysed using the same methodology as for the data collected from individual interviewees described below.

3.4 Ethical considerations

All of the participants to the individual interviews were sent an email detailing the purpose and requirements of the research. Most were known to the researcher already and had participated in research of this kind. All were guaranteed anonymity and promised sight of the completed work. All participants were required to acknowledge they had received the details of the study and confirm their participation by email. This was followed up with another email confirming the time and place of interview, its duration and asking for permission to record.

The focus group participants volunteered to take part in the group in addition to a line manager seminar they were attending organised by the public sector service union. Again they were emailed an invitation giving details of the requirements and purpose of the study. They then confirmed they were willing take part and had read the requirements. They were informed this group would be recorded and that their names would be deleted, if used in conversation, from the resulting transcript of their comments. The data and recordings have been kept securely and password protected. The recordings will be securely erased once the work is completed.

3.5 Analysis

The transcribed data from all the interviews and the focus group was analysed to confirm if the five variables could be confirmed as factors contributing to HR reputation and also to identify any additional themes. Initially the five identified factors were treated as a priori themes, which were then reviewed. This was done by thematic content analysis identifying themes rather than words, as a variety of words could be used to describe each of the variables identified from the literature. Thematic review, according to Cameron and Price (2009), is a process that identifies the key words of themes from the content coding manual and then searches for manifestations of them on each of the transcripts. Subsumption was used to generate sub-categories from the data relating to each variable and then these sub-categories were examined for their relevance to other issues. Mayring (2010) suggests this is a useful strategy to identify sub-themes in a data-driven way once main themes have been decided upon. This process involves reading the material until a relevant concept is encountered, checking whether a sub-category that covers this concept has already been created and deciding whether to subsume this concept or create an additional sub-category. As the main themes have already been largely decided by the literature search, this seemed the most appropriate strategy to analyse the content.

As a result of this approach, the first stage of the content analysis was to determine what support could be found in the data to support the five factors already identified as potential components contributing to HR reputation. This followed the structure of the interview schedule whereby each interviewee was specifically questioned around each of these factors. This data was then collated under the component headings and further analysed to identify sub-themes that were potentially relevant to each of the identified

factors. This was done to ascertain the extent and disposition of the support for the five factors.

Table 3.2: Themes emerging from content analysis of data

Theme	Expectations of HR	Positioning and leadership	Context	Skills and abilities	Trust
Perceptions of levels of service required and service delivered differ between line and HR managers	XXX	X	X	XX	XX
HR can be viewed differently at the corporate, the departmental and the individual level	XXX	XX	X	X	X
Procedural trust is more important than other forms of trust		X			XXX
There is little agreement on the skills HR needs to be effective		X	X	XXX	
Line managers have little interest in how HR adds value	X	X	X	X	
HR managers are concerned to develop value-adding rather than cost measures to evaluate the function		XX		XXX	
The relationships HR is able to develop within the business will have an impact on influence and perception	XX	X	X	XX	XX
Perceptions of HR accountability differ across level and context	XXX		X		XXX

Notes:

No X indicates no support

X indicates some support; this theme mentioned by at least 5 participants in relation to this concept.

XX indicates good support; theme mentioned by between 5 and 12 participants.

XXX indicates good support; theme mentioned by more than 12 participants, i.e. more than half. Each sub-theme is discussed individually below. Where appropriate, line managers' and HR managers' views have been contrasted and the implications of a divergence of views considered.

Finally, the data was then further analysed to identify any additional issues that participants raised as possible influences or drivers of HR reputation, whether related to the variables identified or not. The content analysis attempted to identify the prevailing themes as objectively as possible rather than looking for quotes to support or disprove the case for each concept or factor being a potential antecedent of HR reputation.

3.6 Findings

In total eight sub-themes emerged from the data analysis. Table 3.2 summarises these themes and indicates the level of support they offer for the five concepts under investigation. The themes are then further discussed below together with an indication of the strength of support for each theme and a discussion of whether or not they support the five potential indicators of HR reputation identified from the literature review and summarised at the beginning of this chapter. Those, which are supported, are discussed further in Chapter 4.

3.6.1 Theme 1: Perceptions of HR service

The first and major theme arising in this area was the gap between the expectations of managers and the perceptions of HR managers as to the support managers needed to manage their people. Some line managers accepted that this was not always in the control of the HR practitioners to deliver on their expectations but nevertheless reported the HR function as becoming more remote, less helpful and less able to demonstrate the value it added to the business.

We do understand that we have all had to have cuts, but it has become a very distant and detached function whereas it used to be integral. You can't speak to the same person twice; you speak to people who give you conflicting information. You have to do a lot more yourself. The reputation (of HR) has taken a nosedive. (Line manager K)

Line managers also expressed concern that lack of support from HR functions left them vulnerable in their role as people managers. This contrasted with the view of HR managers who believed line managers needed to become more self-reliant.

It's about letting line managers know what issues they should be addressing, getting them to focus on what's important and not call on us to deal with the things they should be sorting out themselves. (HR manager V)

This generally confirms the view that line managers are more concerned with the delivery of HR transactional processes than strategy (De Winne et al., 2013). It also confirms the finding of Whittaker and Marchington (2003), over a decade ago that line managers feel unsupported by HR practitioners, which inevitably influences their opinion of the value of the function.

Some of these views appear to be driven by the shift from in-house to outsourced HR, with shared service centres in particular having an impact on service in the view of some line managers and HR managers alike.

The Ulrich model hives off the transactional stuff into shared service centres; the two (transactional and strategic) become disconnected. I think this is a false economy. (HR manager M)

Before you always dealt with the same person; now everything is delivered from the service centre. You never know who you are going to talk to; there's no relationship there. (Line manager K)

This theme was reflected in all the conversations to at least some extent. In the organisations where matched pairs of HR and line managers were interviewed, it was strongly suggested that perceptions of the service delivery by HR functions differed between line managers and HR managers. This did not mean that line managers were necessarily overly critical of the HR function, but that they felt the service they were receiving was less than adequate for meeting their needs for effective line management. This was the strongest theme emerging from the qualitative work and this would appear to suggest a compelling case to further investigate the way in which HR practices are delivered, or the HR delivery model.

3.6.2 Theme 2: HR can be viewed differently at the corporate, the departmental and the individual level

HR managers felt they had different feedback from different parts of the business and needed to adapt their role to suit the level at which they were working.

You can't please everyone. What's good for the business is not always good for individuals, so whereas senior managers might be positive about our contribution, individuals may feel let down. (HR commentator F)

Line managers focused more on the role that HR practitioners and functions adopt in the organisation than their influence on the business and answered the questions accordingly. Most showed little understanding of or interest in how HR activity aligns with business strategy but were more concerned with the role HR practitioners play in supporting their needs as line managers. Line managers put more value upon the knowledge expert role of HR, seeing HR practitioners as the people to turn to when they had people management problems to deal with. Although there was no clear agreement, there were some strong opinions that HR practitioners lacked business knowledge and hence business influence.

No way anyone in HR could pass an opinion on the future direction that anyone would listen to. No one in HR was interested in the products; they would only know the market was bad because they had to make redundancies. (Line manager M)

A strong theme emerged from both line and HR managers that HR influence at the corporate level would influence departmental activities and outcomes for individuals. A small number felt very strongly that the HR function was the tool of management and their influence was limited to their role in implementing tough policies, which has a potentially negative impact on employee well-being.

People forget that HR are ultimately employees doing the bidding of senior managers. (Line manager A)

This theme links to the work on HR roles, most notably by Ulrich (Ulrich, 1997; Ulrich and Brockbank, 2005); it also confirms that HR practitioners may have difficulty in successfully enacting the HR role combination put forward to develop concurrently by

Ulrich and Brockbank (2005) and that this might result in tension between the various roles (Sheehan et al., 2014).

It also strengthens the challenge to the notion discussed above that line managers will always work with the HR department effectively (Caldwell, 2004). This theme therefore strengthens the rationale for retaining perceptions of HR in the model of HR reputation. It supports the view emerging from the literature review that HR may be viewed differently in terms of their strategic role, contributing to delivering the business strategy and their administrative or support role, supporting line managers and individual employees with their everyday employment-related transactions.

3.6.3 Theme 3: Procedural trust is more important than other forms of trust

The concept of procedural justice was a strong theme emerging from the data in this area. Both HR and line managers generally agreed that HR practitioners work in the interests of the business but they did not necessarily believe this would mean they were untrustworthy. HR managers argued that ensuring ethical behaviour was in the interests of the business and that working for the business is also to be on the side of the employees. In this there is an assumption that everyone will benefit from a successful business.

Some managers recognised the challenge for HR practitioners to walk the tightrope between ensuring ethical behaviour and fairness, and operating in what senior managers perceive to be the best interests of the business.

I have massive sympathy for HR trying to walk a tightrope of keeping unfair claims at bay and limit the loss of ridiculous claims, so sometimes they try to manage away claims. It's hard and unfair of the business because? ...don't want HR at the table to make strategic decisions, but they want them to clear up the mess. (Line manager K)

I am sure they try to be as fair as they can but they have to work within the parameters set by the management team and that sometimes means some people get a worse deal than they would like, for example in the recent restructure. I'm not saying it's HR's fault; it's just what happens when you make those kinds of business decisions. (Line manager B)

The issue is not that managers and employees do not trust HR practitioners or believe they do not understand the importance of ethical behaviour and fairness, but that employees believe that HR functions are often operating to two agendas. On the one hand, they are concerned to ensure policies are implemented fairly and that people are treated ethically to minimise the risk to the business, but on the other, they have to operate within a climate dictated by the needs of the business, which do not always reflect the best interests of employees. This again can be linked to the work on role tension (for example Sheehan et al., 2014).

Trust also seems to be further complicated by the level of trust between individuals and the business, with some individuals expressing trust in HR individuals or functions but distrust in management – believing that HR practitioners might not be allowed by senior management to behave fairly. This contradicts some of the suggestions in works such as that by Kochan (2004), which suggests a loss of trust in HR. However, it does suggest that HR activity does potentially influence the trust underpinning the employment relationship (Whitener, 1997; Gould-Williams, 2003; Searle et al., 2011).

These findings and the strength of opinion held by the interviewees indicated that trust is a factor that should be retained in the model of HR reputation. However, the findings did not suggest that there is generally mistrust of HR activities, but rather a lack of trust in the role HR functions are allowed to play by the senior management of organisations. This would suggest that trust in HR practitioners is mediated by trust in senior management.

3.6.4 Theme 4: Little agreement on the skills HR needs to be effective

Whether or not HR practitioners have the skills and abilities to be successful was another strong theme running through the interview data. However, the opinions of line managers and HR managers on the most appropriate or valuable skills for HR practitioners differed, although both questioned the relevance and applicability of current HR skills.

It's difficult to say. I think possibly they do have the skills for the role they are expected to play by business. Do they have the skills to ensure people are managed effectively? Not sure whether it is a skills or an influence issue. HR generally not always taken seriously or listened to by managers. (Line manager 1 taking part in focus group)

Consultancy, influence, relationship-building, human skills, analytical skills can be really valuable as is commercial awareness and strategic thinking. I'm talking more about the strategic relationship-building stuff. Communication, high emotional intelligence. We know that it's not always the case that HR actually have these. (HR manager H)

HR managers think that more focus is needed on specific skills, which have not traditionally been part of HR skills training, but which they believe would benefit HR and enhance its ability to demonstrate its value and hence influence shared perceptions of the function.

Understanding the metrics, and this is where HR falls down badly. It's not workforce metrics; it's around cost of HR relative to the organisation. Misunderstanding the cost of HR. You need to demonstrate value. (HR manager M)

Line managers mostly believed that HR practitioners do have the skills to do what is currently expected of them and believe HR generally are reasonably skilled. However, they also believed that most of their knowledge about HR skills appears to be confined to HR knowledge rather than HR's ability to understand and contribute to the business. As a consequence, they do not always believe that their skills are valued or lead to influence within the business and that HR practitioners will need to up-skill themselves to effectively add value. They valued the transactional skills more highly than the strategic. Once again this can be seen to confirm the higher value line managers put on the transactional process contribution of HR activities and functions (De Winne et al., 2013) and the view that HR practitioners have been slow to adapt and learn the new skills to deliver the new roles expected of them (Payne, 2010; Ulrich and Brockbank, 2009).

Skills do seem to be an important concept and there is strong support for retaining this issue in the model of HR reputation. However, it was not a lack of skills that was seen as the primary issue, although some gaps in skills were identified. It was more how skills were applied and in what context and whether HR practitioners were allowed to exercise strategic skill by senior management or whether they were confined to the delivery of transactional services. Despite this finding from the qualitative work, in the light of the literature and efforts to professionalise the profession of HR, there is still strong support

to investigate views on the relevance and existence of HR knowledge and skills as well as their application.

3.6.5 Theme 5: Line managers have little interest in how HR adds value

A further theme emerged under this concept, which indicated that the performance of HR functions is shaped or constrained by their position in the business and the kind of role they are expected to play by other stakeholders. Further evidence for this could be found in the confusion around the efficiency of HR departments – the extent to which they deliver timely and valued services – and their effectiveness – whether they can demonstrate real value for money in investing in HR practices and people. This might also imply that HR reputation may also be a cause as well as an effect of the skills and abilities of HR practitioners. For example, if HR practitioners are not expected to demonstrate value, they are not motivated to develop analytical skills.

Line managers had little interest in how HR adds value but a real concern about how HR supports them to manage their team. They also report an absence of any information on which to base a judgement about the value-adding role of HR.

Operationally yes I suppose they do by getting the right people, getting people the right development, etc. Beyond that I'm not sure. (Line manager 2 taking part in focus group)

We get no feedback about return on investment in training or any of that stuff. (Line manager B)

There also seems to be indications of dissonance between HR managers' self-perception of performance and the views of non-HR managers. HR managers seem to believe they are performing and adding value to the business; they just have to find the right measures to demonstrate this. However, line managers are less confident that HR practitioners are doing the things the business needs of them and therefore their perceptions of performance are influenced by HR activity and not just how HR contribution is measured.

This seems to imply that line managers are judging HR on their effectiveness, whilst HR practitioners strive to demonstrate how it is adding value to the business. This would

suggest that the basis on which HR performance is measured and perceived might be important to how HR is viewed, with line managers' preference for measures of effectiveness against other preferences for measures which determine the value of HR to the business.

3.6.6 Theme 6: HR managers are concerned to develop value-adding rather than cost measures to evaluate the function

One of the key challenges identified by HR managers was how they could shift from being seen as a cost function to a value-adding function. Many believed that relying on the traditional measures of absence, turnover and employee satisfaction was not helping.

I think the key to overcoming this (problem of demonstrating HR performance) is being able to provide real evidenced data about the contribution people are making to the business. Unfortunately, currently we rely heavily on data that's based on hearsay or is not that relevant to the business, such as absence or turnover. We need to get much better at generating real data and analysing it in such a way that it provides convincing evidence that investing in people is good for the business. (HR manager F)

The limitations of traditional workforce metrics was a strong theme running through the data and supported the theme that HR need to build a new skill set to effectively demonstrate the added value of HR. This supports the inclusion of performance and most particularly performance measures as an additional factor in the model of HR reputation, as it appears judgements of HR may be influenced by how performance is measured and whether this is suggested that HR is effective or value-adding.

3.6.7 Theme 7: The relationships HR is able to develop within the business will have an impact on influence and perception

Both HR and line managers believed the relationships HR practitioners are able to forge at different levels of the business had a strong influence on how they were perceived, and believed the ability to do this was influenced by context and particularly the senior management team's view and experience of HR. In a context where HR activity was more highly valued, better relationships were established. This theme is supported by the argument that the perceived value of HR is not only based on the fulfilment of its strategic

function, but also by making timely interventions, appropriate reactions and high-quality delivery of transactional process (Buyens and De Vos, 2001).

Many of the interviewees, particularly line managers, felt that the experience of CEOs and senior leaders not only influenced their own perceptions of the value of HR but also influenced the decisions they made about the scope and positioning of HR. This was confirmed by HR managers who believed much of their reputation was shaped by the quality of the relationships they built with senior managers and other influential stakeholders impacting on their ability to build positive relationships at the departmental and individual level.

There were different views of the value of HR influence on the business depending on the context in which HR practitioners were operating. Close alignment was not always seen as positive by the line.

The director of HR very clearly sits alongside the CEO in decision-making. ... I don't think they drive change in a positive way. They are changes that take place as a result of what they do but I am cynical about what sits behind it...there's not much about well-being or engagement. (Line manager B)

The emergence of this issue suggests that HR reputation is heavily reliant on context and hence will differ from workplace to workplace. This view is supported by work from Boudreau and Lawler (2014), who find that progress towards positioning HR as a value-adding function is impeded by organisations continuing to pursue a low-cost operator model of management. They find when organisations pursue a more high-involvement and sustainable approach; there is more scope for HR practitioners to contribute.

There was strong support for this theme and it suggests that HR reputation will differ between the different contexts of operation. It suggests that it is possible that HR reputation is strongly influenced by the extent to which the HR function of individual HR practitioners are 'allowed' to contribute. The issues of context are potentially difficult to explore in a scale of HR reputation, which is applicable across organisations. However, this theme does lend weight to the notion that how the HR function is valued, for its effectiveness of for the value it adds to the business, may be an important issue contributing to perceptions and judgements made about HR practitioners and HR functions.

3.6.8 Theme 8: Perceptions of HR accountability differ

A further theme emerging from the analysis was accountability. It became clear that different perceptions existed about who owned or was accountable for the outcomes of HR practice: HR practitioners as the designers, or line managers as the implementers? Although the delivery of the process, for which HR practitioners have little responsibility, may be being evaluated, the outcome may still be attributed to them.

Some managers felt they would have to take the responsibility if people management practice went wrong, or if they made a bad decision even though they relied heavily on HR practitioners for advice and guidance.

Would I get support if I did something wrong based on what they (HR) told me? I think their say would be greater than mine. I don't know what this is based on; it's just how I feel. I constantly worry that if I do something slightly wrong I won't get the support I need. (Line manager K)

HR managers on the other hand did not share this view and felt that they were potentially accountable for the actions of line managers even though they had little authority to ensure that line managers implement HR practices effectively or as intended. We might assume from this that individuals' perceptions of HR will be influenced by who they believe has ultimate responsibility for HR actions and policies. This theme supports the view that perceptions of HR service differ and this may be related to the different expectations line managers have of the HR services available to them, as opposed to HR practitioners understanding of their responsibilities to support line managers. This supports the retention of the factor of perceptions of service but broadening this slightly to expectations of service, recognising the issue is potentially that line manager perceive that their expectations are not met.

3.7 Summary and discussion

Analysis of the interview data would seem to support the proposition put forward in the model at the beginning of this chapter: that expectations and perceptions of HR service, the level of trust in HR, the skills and abilities and the performance of HR practitioners and functions are potential issues impacting on HR reputation. However, this data also finds that in terms of HR service, it appears to be how that service relates to individuals

rather than how it contributes to the business that is important. Therefore, within the issue of HR service there seems to be little differentiation between different levels of service in the organisation in that respondents did not differentiate between HR service at the individual, departmental or corporate levels, being solely concerned with the individual level of service. Managers also appear to be more influenced by the level of service they get at the local level rather than any influence HR practitioners might have at the corporate level. There are also concerns that they will be held accountable for people management outcomes even though they are acting on advice given by HR practitioners. This finding supports the retention of perceptions or expectations of HR service in the model but not the differentiated levels of service.

Trust is expressed by the extent to which HR functions are trusted to ensure managers act fairly and how ethical HR behaviour is. However, trust in the business is also important, as some managers believe HR functions are not allowed to act fairly and others that they must align with the business and hence become the tool of management. Because of this it is difficult to separate trust in HR practitioners and functions from trust in business leaders generally at the corporate level. In the light of the literature this has implications. Peterson (2004) suggests the HR profession has aligned itself with business, which would support this view that trust in HR functions is bound up with trust in the business. However, Colquitt and Rodell (2011) would seem to be implying there is an opportunity here for the HR profession to improve its reputation by ensuring fair and equitable treatment of people. The data therefore would seem to support the issue of trust to be retained in the model but not trust at different levels in the business. Rather, the data seem to imply the division might be between trust in HR practitioners to ensure fair treatment and trust in the business to behave ethically.

How HR performance is perceived seems to be linked to where the HR function sits in the organisation or whose interests it appears to be operating in. Managers seemed to be particularly concerned with HR effectiveness and how effective they believe HR practitioners to be in supporting them with their people management transactions. HR managers on the other hand were more concerned with developing measures of value to demonstrate their added value rather than their cost to the business. Boudreau and Lawler (2014) suggest that the management approach adopted may significantly impact on HR progress and activities. Hence, how an organisation chooses to value its HR function, in terms of effectiveness or cost, through secondary measures such as

engagement and well-being or through added value, is important for reputation. This implies support for HR performance to be included as an additional factor in the model, but the issue is more around the measures chosen to value HR outcomes than HR performance at different levels in the organisation. This is a new issue but incorporates some issues around context suggesting HR performance outcomes will be viewed differently in different contexts and leadership suggesting that the relationship HR has with senior leaders will impact on how their performance is interpreted and whether they are enabled to contribute to business success through involvement in strategic decision making

In terms of skills and abilities, the impact of this concept would seem to be largely indirect, potentially impacting on how valuable HR services are considered to be and how much the HR function is trusted to act fairly and ethically. There was little agreement, beyond line managers wanting HR practitioners to be more skilled in the transactional element of people management, or the skills HR practitioners need to be effective. However, many participants also recognised that HR practitioners would use different skills depending on what level of the business they were interacting with. This is directly in contrast with the literature, which implies one of the issues impacting upon reputation is the lack of skill or the wrong type of skill possessed by HR practitioners (Ulrich and Brockbank, 2009; Payne, 2010). It may well be the case that managers are insufficiently aware of the skills needed to deliver HR services effectively. However, this still implies support for the retention of skills and abilities in the model.

It is less clear that how HR practitioners and functions position and align themselves to the business are having a direct impact on perceptions of HR or reputation. Employees and managers are mostly concerned with the services they get from HR functions or the transactions they make with them and less concerned with how it adds value to the business. They displayed little interest in how the HR function demonstrated its value but are more concerned with how it might directly impact upon their ability to be successful in their job. HR managers on the other hand thought this was a serious weakness and potentially damaging to their reputation, as unless they could demonstrate that the HR service they deliver adds value, they would continue to be seen as a cost centre and the focus would be on how to deliver services at least cost. As a result, they were concerned to develop real measures of value rather than rely on workforce metrics, which they saw as primarily measures of efficiency. This concern is reflected by the literature, which does

imply that the HR profession has so far failed to effectively demonstrate its value (for example Losey et al., 2010). As a result there was no support to retain this issue in the model although some aspects were incorporated into the issue of HR performance discussed above.

The issue of context was quite problematic. Both HR managers and line managers agreed that HR would differ between contexts. There was a strong view that HR influence depended upon the strength of the relationship HR practitioners were able to build at the senior level, a view that is supported by the literature (Daniel, 2013; Guthrie et al., 2011; Wright et al., 1998). However, other than that, there was no agreement on the other aspects of context that might impact on HR reputation. As a result this issue was removed from the model. However, there may be value in attempting to address at a later stage if HR reputation differs in context, once measures of HR reputation are established. One issue that did arise from the data was that the way in which HR practice was delivered appeared to influence perceptions of service, with some interviewees commenting that outsourced HR services resulted in a more remote and less supportive function. There may, therefore, be some merit in investigating whether positive or negative perceptions of HR reputation are associated with the HR delivery.

There was a surprising amount of agreement between HR managers and line managers about the concepts that influence HR reputation. However, in general line managers were less favourable about the HR service they received, and HR managers were more concerned with demonstrating their value rather than cost to the organisation. There was also evidence to suggest that one of the primary issues influencing perceptions of HR service is the gap that line managers perceived to exist between the service they need, or want, to be effective people managers and that which they actually get.

Line managers and HR managers did not always agree on who was responsible for people management practice. Although there was quite clear agreement on HR being a source of advice and guidance on people management, line managers often believed that HR took no responsibility for how that advice was acted upon and, hence, if they acted in error, they would have to take full responsibility for those actions. Line managers also did not always recognise their role as implementers of practice or their responsibility to interpret practice ethically and responsibly in line with their people management objectives. HR managers on the other hand thought their impact was unfairly judged, as

the delivery of practices was in the hands of line managers, with them having little control over the quality of delivery. This indicates that line managers' perceptions might be based on their expectation of HR services or support which may differ from the expectation of HR practitioners for service delivery.

The work described above is limited in scope and depth because of the nature of the sample and the lack of data from individual employees, who have a different relationship with HR through their employment relationship rather than through their management relationships. However, it does provide empirical evidence to support the findings of the literature review that expectations of HR service, skills and abilities of HR, and trust in HR are potentially variables contributing to HR reputation. It also demonstrates that how organisations and individuals chose to measure HR performance will reflect upon how HR reputation is perceived. This latter issue is further supported by work on human capital, which implies that the difficulties of measuring the HR contribution (Hendry, Woodward, Harvey-Cook, and Gaved, 1999) has influenced the perception of HR value held by stakeholders such as senior managers and business analysts.

Context, although important, is diffused among the other issues and this suggests that context is important to how views are shaped and for potentially explaining differences in views of HR rather than a component of reputation per se. The work also provides support for the concept of positioning and leadership as potentially contributing to HR reputation. However, this support was less clear and less consistent among participants. There was some evidence that expectations, ability and trust were also shaped by the position of HR within the business and whether HR was being judged at the individual, departmental or corporate level. This is further considered in the revision of the model and development of the conceptual framework in the next section.

These findings reflect the diverse nature of HR reputation and demonstrate that reputation can potentially differ depending on the level at which interaction between the business or individuals and HR takes place – corporate, departmental or individual – and therefore overall reputation may be dependent on how these views are integrated across the organisation to form a shared view of HR. This proposition is supported by research theory to date, which is discussed above and which suggests that stakeholder perceptions potentially can explain a large extent of HR reputation.

As a result of this exploratory work the potential indicators of HR reputation have been refined from five to four and now comprise perceptions of HR service, renamed expectations of service to reflect the expectation gap between line managers and HR, Skills and abilities of HR, Trust in HR and HR performance which has been refined into outcomes for individuals (well-being), outcomes at department level (effectiveness) and the corporate level (added value). These indicators will therefore be taken forward to develop the conceptual framework and the final model of HR reputation to be explored through quantitative work and which is developed in Chapter 4.

3.8 Next steps

The findings of both the literature review and the exploratory work have been used to shape the contextual framework for the final research, which is described in the next chapter. The thematic analysis of the qualitative data collected from this study has provided additional justification for the model that is presented in the next chapter. The inductive approach described above in the methodology section of this chapter allowed for the exploratory work to build on the theory derived from the literature to inform an approach to further data collection and analysis. Furthermore, the qualitative data have enabled questionnaire items, relevant to each component of HR reputation, to be identified. Items have been refined from the original interview schedules developed from the literature and the subsequent responses and additional questions raised by interviewees. A more detailed description of the questionnaire designed for the quantitative survey is given below in Chapter 5.

4. The conceptual framework for the study

The definition of HR reputation was discussed in the introduction, drawing on the definition put forward by Hannon and Milkovich (1996), who define it as a shared judgement of a company's HR philosophies, policies, and practices. Further exploration in the literature review suggests that HR reputation is a combination of how the actions, behaviours and added value of individual HR practitioners, functions or departments are perceived by individuals and stakeholder groups. The process by which these perceptions and judgements are shared across the organisation and between individuals is informed by the prevailing norms and values within a given context. The outcome is a set of perceptions or commonly held assumptions that are shared by stakeholder groups. This notion that HR reputation is perception-based is supported by Hannon and Milkovich (1996) and Fombrun (1996), who suggest that reputation is based on what is known and the judgements made on the basis of that knowledge.

The above literature review and qualitative work have both been concerned primarily to identify the issues and potential antecedents of HR reputation and to gather evidence to suggest what issues might be important indicators of HR reputation. The initial set of issues identified by the literature review have further been refined by the qualitative work and, whereas the literature identified five potential concepts or variables impacting on HR reputation, the exploratory work found strong support for three of them: expectations of HR service, skills and abilities, and trust. It found little support for positioning and leadership of the HR function, although it did suggest that the relationships HR is able to build with senior managers might be relevant. Context does seem to be an issue, but this qualitative work suggests this may be more important in explaining differences in HR reputation rather than as a measure of reputation itself. In addition, although the literature suggested that HR would be judged in context, there was no evidence to suggest that it would be useful to attempt to define a measure of context. Rather it suggested that a scale of HR reputation could be useful in describing differences in HR reputation between contexts (Boon, Paauwe, Boselie, and Den Hartog, 2009).

A new issue identified by the qualitative work was that of performance outcomes. HR and line managers differed in their opinion of the value of HR performance outcomes. Line managers valued effective HR that offers them sufficient support to carry out their people management responsibilities. HR managers, however, are concerned to develop new

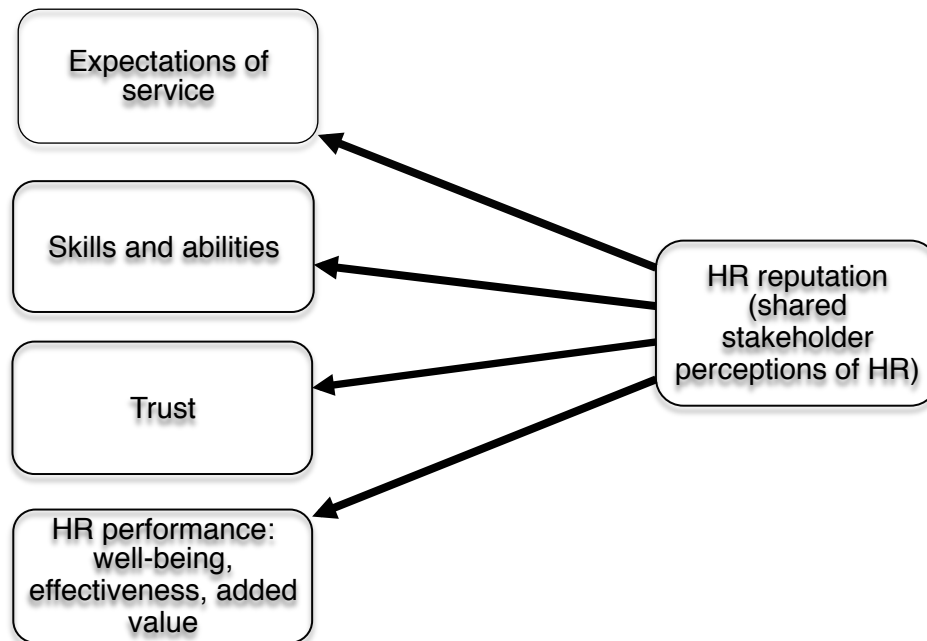
metrics to demonstrate the added value of HR functions and their activities. The human capital literature, too, suggests there is a demand, albeit limited, for information about how HR adds value and hence contributes to business performance, which has also been a preoccupation of the HR professional body, the CIPD (see Chapter 2 above).

This drive for added-value measures has been fuelled by a desire on behalf of the profession to demonstrate the value of the HR strategic role as opposed to the transactional role, which is primarily about delivering effective services. Underpinning the effort to demonstrate that HR activity adds value to organisations is the literature suggesting that other performance outcomes from HR activities, such as satisfaction, motivation or commitment, might be valued by individual employees and business leaders alike if they deliver a more positive employment experience or higher levels of employee well-being and translate into higher levels of performance. The evidence further suggests that well-being has become an important outcome measure for HR on a practical level and features in practice in performance measures, such as the Tesco steering wheel and Business in the Community's Workwell model.

The exploratory study also suggested that HR's position in the organisation would potentially determine how HR outcomes are measured. HR positioned at the strategic level participating in strategic decision-making is most likely to be judged in terms of the value it adds to the business, whereas HR positioned at the level of the function or department and confined to operational decision-making is more often judged in terms of its effectiveness. This suggests that assumptions are being made about the most valuable performance outcomes of HR, which may also be a measure of HR reputation. In other words, if stakeholders perceive HR to be active at the strategic level, they may judge their performance differently than if they perceived their activities solely as operational and confined to the functional level. As these performance outcomes related to individuals and stakeholder groups, both functional and corporate, this would also suggest that a range of outcomes need to be explored. These might be people-centred in the form of individual well-being, or organisation-centred in the form of effectiveness or added value. As a result a new variable was added called performance measures, endeavouring to measure perceptions of HR's contribution to well-being, effectiveness and organisational value.

As a result of these findings, the final model of HR reputation that will be discussed in this chapter now contains four potential variables and is presented in Figure 4.1 below. This model has been used to inform the following data collection and analysis.

Figure 4.1: The model of HR reputation



The model describes HR reputation as a latent variable, which is not observable but is potentially inferred by the four variables. The model suggests that these four variables are expectations of HR service, skills and abilities of HR, trust in HR including HR's role in ensuring procedural and distributive justice, and HR performance. Within the performance variable, there are potentially three measures of HR performance. Dyer and Reeves (1995) classified the types of performance outcomes derived from HR practice as employee, organisational, financial, and market value outcomes. Well-being is measured using a validated scale of well-being (Brunetto, Farr-Wharton, and Shacklock, 2011), HR effectiveness using items adapted from the literature (Guest and Conway, 2011; Purcell and Hutchinson, 2007), and added value using items adapted from the HR balanced scorecard (Becker et al., 2001). The conceptual theory underpinning this model is therefore that HR reputation can be understood and measured by understanding and measuring each variable and that together these four variables will deliver an aggregate measure of HR reputation. However, understanding how HR is perceived in each of

these areas will also have value and is likely to have practical implications, which will be discussed in Chapter 7.

The model theorises that sharing judgements on the four identified variables between key HR stakeholders forms HR reputation. These are groups of individuals who will interpret and share their experiences of HR practice (Wright and Nishii, 2007): managers implementing HR policies and practices through the management mechanisms (Ferris et al., 2003; Guest and Conway, 2011) and business leaders who work with HR at the strategic level to achieve business objectives (Ulrich, 1992, 1997; Ulrich et al., 2008).

4.1 Theoretical underpinning

There are several theories that underpin and inform this model. Perhaps the most influential is Tsui's multiple constituency framework, which is discussed in Chapter 2 (Tsui, 1990). This model provides perhaps the most coherent theoretical base to date and recognises the complexity and diversity of the HR role. Ferris et al. (2007) viewed this not as a new theory but as '...an interesting blend of strategic contingencies and resource dependency theories...' (Ferris et al., 2007: 125). This framework recognises the multifaceted nature of HR reputation and the problems associated with competing interests and potentially differing views of HR from different constituents.

In addition, both legitimacy theory and power theory inform the model. Much of the practical work on HR value has been done from a standpoint of legitimising the profession rather than creating robust, objective measures. However, legitimacy theory is mostly concerned with how bodies ensure their actions are appropriate; hence the model is also potentially a measure of how legitimate HR behaviours and actions are in the eyes of their stakeholders, or how successful HR functions have been in legitimising their role and persuading stakeholders of the relevance and value of HR activities. In addition, achieving a degree of legitimacy potentially builds power and influence for the HR profession. In as much as the strategic HRM movement legitimised HR as a business resource, which led to the raising of the profile and sphere of influence of HR departments, HR has still not achieved the same level of recognition as other functions such as finance or marketing (Boudreau and Lawler, 2014; Jacobson, Sowa, and Lambricht, 2013; Sisson, 2001). This would suggest that HR is still striving for legitimacy

and this may be driving their desire to influence perceptions of the function among stakeholders.

Freeman (1984: 49) defined stakeholders as 'any group or individual who can affect or is affected by the achievement of the firm's objectives'. Subsequent work identified sub-groups of stakeholders including employees, and many types of stakeholder groups (Preston and Sapienza, 1990; Wood, 1994; Clarkson, 1994, 1995) and various typologies of stakeholders (Berman, Wicks, Kotha and Jones, 1999; Belal and Owen, 2007; Belal, 2016; Degan, 2009; Gray, Owen and Adams, 1996; Moir, 2001). However, most agree there are two branches of stakeholder theory: ethical and managerial. Managerial stakeholder theory is divergent and emphasises the competing interests of stakeholders. It asserts that entities are more likely to attempt to meet the expectations of the stakeholders that wield the most power in terms of the resources they can control. Or they will meet the expectations of stakeholders who they believe may best be able to help them achieve their own interests (Gray, Stites, Barnett and Doh, 2010). Ethical stakeholder theory on the other hand is convergent and emphasises that stakeholders' interests need to be managed and that all stakeholders need to be treated fairly. It asserts that it is possible to develop a convergent approach to management, enabling managers to making ethically and morally sound judgements representing the interests of all stakeholders. Both are relevant to HR.

As discussed in Chapter 2 above, HR plays many roles that potentially play to the interests of different stakeholders. They may support employees as employee champions, senior management and shareholders as business strategists, and line managers as administrative experts. This suggests that HR may be driven by the management stakeholder approach when trying to reconcile the demands of their different roles and meet the needs of different stakeholders. However, the practice view is that HR needs to develop a convergent approach, enabling employees to identify with the aims and goals of the business. The practice view is supported by work on engagement and implies that organisations are unitarist, where all stakeholders in the organisation have and are working towards the same objectives. However, there is some evidence to suggest this is unlikely to be the case (Godard, 2001; Paauwe, 2004; Ramsey et al., 2000) and that in reality HR will be continually managing competing demands. There is also evidence to suggest that HR is expected to ensure ethical

decision-making for the same stakeholders that are exerting competing pressures upon them.

Both the theoretical perspectives of legitimacy theory and stakeholder theory may be useful in terms of understanding how HR reputation is formed. The literature demonstrates that there is continuing doubt over HR's ability to achieve its strategic role (Boudreau and Lawler, 2014), a role that has become more important in knowledge-driving economies of the twenty-first century (Uen et al., 2012). In addition, the practice literature demonstrates that a key aim for the HR profession is to demonstrate its effectiveness or ability to act strategically. In essence it seeks to legitimise its role to its constituencies of shareholders, employees, managers and customers as architects of people management strategy. Once again the issues of the different roles HR plays and the compatibility of those roles with the needs of different stakeholders who may have competing interests raises a number of issues. In seeking to legitimise their actions, HR may cause tensions with one or more stakeholders. This gives rise to the question: in whose interests does HR act? This was a question asked by several of the interviewees to the exploratory work reported in Chapter 3. Does HR act in the interests of the business or of individual employees?

The conceptual framework for study reflects these theoretical dimensions. It addresses HR reputation as a multidimensional phenomenon and attempts to identify the different dimensions expressed in the form of the four variables. It recognises that perceptions and assumptions of HR may be made on more than one stakeholder level and the model recognises individual employees, line managers seeking support for their people management roles and business leaders wanting HR practices to drive the achievement of business objectives as distinct stakeholder groups recognised as individual, departmental and corporate levels. Finally, it also recognises the effort to legitimise the profession in terms of demonstrating clear performance activity from the business and HR practitioners seeking to operate to a professional standard with a professional body of knowledge and skills and ethical behaviour.

4.2 Rationale for relationships between latent variables and HR reputation

The rationale for each of the hypothesised relationships between each of the latent variables and HR reputation is explained below. These rationales draw on the literature discussed above and the exploratory qualitative work.

4.2.1 Expectations of HR service and HR reputation

This relationship is implied by both the literature review and the exploratory work as an important variable shaping judgements of HR (for example see Truss et al., 2002; Uen et al., 2012). The literature implies that all stakeholders will have expectations of HR functions, practitioners and HR service, and that the extent to which these expectations are met will impact on the perceptions and judgements made about HR (Chen et al., 2011; Guest and King, 2004; Wright et al., 1998). The exploratory work in particular revealed a mismatch between line managers' expectations of HR service and HR perceptions of the service they are required to provide.

4.2.2 Skills and abilities and HR reputation

Again this relationship is evidenced from both the literature and exploratory study (Caldwell, 2008, 2010; Gilmore and Williams, 2007 Ulrich and Brockbank, 2009). The literature continues to question HR competence, particularly in their ability to deliver strategic HRM (Payne, 2010; Ulrich and Brockbank, 2009). In the exploratory study there was evidence that line managers believed HR had been deskilled as a result of online provision of HR support or HR shared service centres and questioned whether the HR personnel in those centres had the necessary competence to support them effectively. There were also concerns in both the literature and the exploratory work that line managers were being asked to take on responsibilities for which they were unprepared or unskilled.

4.2.3 Trust and HR reputation

The relationship between trust and HR reputation is perhaps more complex than the first two relationships (expectations of HR service and skills). Trust is multifaceted and the literature suggests that trust is associated with fairness (Colquitt and Rodell, 2011), the extent to which HR ensures policies and practices are enacted fairly, and the extent to

which HR is trusted to protect stakeholder interests. It further suggested that both trust in the fairness of the practice (procedural justice) and trust in the fairness of outcomes (distributive justice) would be important (Farndale et al., 2011; Folger and Konovsky, 1989). Further evidence also suggests that trust in HR is inextricably linked with trust in the organisation and therefore this relationship might also impact on the reputation of the employer as well as that of the HR function (Gratton and Truss, 2003; Guest, 1999; Purcell et al., 2003; Wright and Nishii, 2007). The context of the organisation, leadership style and concern with ethics might therefore be important influences on trust. The exploratory work found that the majority of managers and employees are most concerned with procedural trust or HR's ability to ensure that HR procedure does not unfairly favour certain groups or is implemented consistently by different line managers. This suggests there might be more than one dimension of trust: trust in HR itself and trust in HR's ability to ensure the organisation behaves ethically.

4.2.4 Performance measures

This is the most complex relationship of all. Within the literature the performance of HR can be expressed and interpreted in many ways. The role of HR in driving employee well-being is emphasised by a number of studies (for example Alfes et al., 2013; Conway and Monks, 2010; Wollard, 2011). Another group of studies considers the effectiveness of HR practice and the extent to which practices achieve their intended outcomes (Purcell et al., 2009; Wright and Nishii, 2007). Some of this work also questions the unitarist approach put forward by the people and performance work (Beer et al., 1984; Fombrun, Tichy, and Devanna, 1984; Miles and Snow, 1984; Schuler and Jackson, 1987; Walton, 1985), that both employees and managers want the same outcomes from HR practice – successful organisations (Godard, 2001; Guest, 1999; Purcell, 1999; Ramsey et al., 2000). These studies suggest that different stakeholders who, potentially, want different outcomes from HR actions and practice will judge HR performance differently. However, it also suggests that stakeholders' perceptions of HR will be shaped by the outcomes they expect from them.

The variables reflect different dimensions of HR reputation, consistent with the view that HR reputation is multifaceted or multidimensional. However, there is also a degree of similarity between the variables and it must be considered that the variables themselves may be associated with each other. So, for example, if expectations of HR service are

met, this may impact trust or perceptions of performance. This issue of the relationship between the dimensions of HR reputation will be considered in the analysis of the quantitative data below.

Finally, the HR profession itself and academic researchers have tried to measure HR in terms of the value it adds to the organisation (Buyens and De Vos, 2001; Chadwick, Way, Kerr, and Thacker, 2013; Coombs, Liu, Hall, and Ketchen, 2006; Uen et al., 2012). Such studies attempt to argue a return on investment for HR practice changing perception from HR as a necessary cost to be minimised to a resource to be maximised. Buyens and De Vos (2001) found that HR could add value in four domains: managing strategic HR, managing infrastructure, managing employee contribution, and managing transformation or change. However, the level of value will vary between organisations depending on how the domains are organised. Because of this complexity around measuring HR performance, the conceptual framework proposes three different variables measuring HR performance outcomes at the level of the individual, the department and the organisation.

4.2.5 Contextual issues

The exploratory work did not find strong support for the concepts of positioning and leadership of HR and context, which had been identified as potential issues impacting on HR reputation by the literature review. This coupled with the difficulties of establishing measures in these areas indicated these issues should be eliminated from the model being explored in Chapter 3 above. However, the work did reveal that HR managers are primarily concerned to demonstrate how they add value to the business and that this value can be in the form of effectiveness, or individual outcomes such as motivation or performance. It also found that managers have different perceptions of different aspects of HR, which coincide with the different levels identified above – individual, departmental and corporate – and potentially different types of HR value. For example, some managers reported they had good relationships with individual HR managers, but still held a negative view of the service provided by an HR shared service centre. It also found that the relationships HR develops with line managers and other business leaders can significantly impact the outcomes they are able to achieve. For example, many HR managers and line managers felt that HR plays a role in organisations that is proscribed for them by the senior management, culminating in the comment that ‘organisations get

the HR functions they deserve', made by one manager indicating that organisations create HR functions which they believe will fit with the ethos and value system of their business rather than allowing HR the space and autonomy to develop people-focused solutions to the business issues presented by the organisational context. It became apparent from this that how HR is valued would be a more useful measure than trying to measure the value that HR itself creates, and that HR could be valued differently at different levels of activity. As a result, four measures have been included in the performance sub-scale: effectiveness, well-being, motivation, and organisational citizenship.

The literature review also identified a number of additional factors that relate to the context in which HR is delivered and hence HR reputation is formed. The first is that of the relationship HR forms with line managers to deliver HR practices to individuals. One of the most important stakeholder groups for HR is line managers, and increasingly they implement HR practice rather than HR (Brewster and Söderström, 1994; Den Hartog et al., 2004; Guest and Bos-Nehles, 2013; Purcell and Hutchinson, 2007). This suggests that much of the activity traditionally undertaken by HR practitioners is now delivered by line managers and that line managers are crucial in the link between people management practice and business performance (Purcell and Hutchinson, 2007). There is much in the literature that suggests potentially the relationships between HR and the line are prone to tension and difficulty (for example McGuire, McGuire, and Sanderson, 2011). Op de Beeck et al. (2016) find a lack of clarity in the role that line managers are required to play in HRM and a discrepancy in the perceptions and understanding of line managers and HR managers as to the exact nature of the role of each party, as well as the expectations each has of the other. This would seem to suggest that line managers' perceptions of HR may be influenced by the role they are expected to play by HR in delivering people management practice and hence may differ from that of other employees.

The second area highlighted in the literature as potentially driving differences in the way in which HR is perceived is the HR delivery model. The work of Ulrich and others has been particularly influential in shaping the way in which HR departments are structured and HR services delivered throughout the business (Legge, 2005; Sisson, 1994; Storey, 1992; Ulrich, 1997; Ulrich and Brockbank, 2005; Welch and Welch, 2012). In addition there has been increased use of shared service centres as a strategy to improve

efficiency and HR services whilst freeing up HR skills to concentrate on strategy (Klaas, McClendon, and Gainey, 2001; Farndale, Paauwe, and Hoeksema, 2009; Chiang Chow and Birtch, 2010). However, this does not come without tension (McCracken and Mclvor, 2013). Several of the line managers contributing to the qualitative work commented on their perception of a worse service from HR when delivered through a shared service centre (Chapter 3). This would seem to suggest that the way in which HR services are delivered (the HR delivery model) might influence the perceptions of HR stakeholders.

4.3 Research questions

The following research questions (RQs) were presented in the introduction:

1. What are the theoretical dimensions of HR reputation?
2. How can these dimensions be translated into variables that combine empirically to a measurement scale for HR reputation?
3. What are the drivers of HR reputation?

These contribute to the primary purpose of this research, which is to identify the components of HR reputation and attempt to develop a scale to measure HR reputation once it is established what issues contribute to the perceptions and judgements that form reputation. The work reported to this point has attempted to go some way toward addressing the first of these research questions and identify the issues that might be taken forward to develop the scale and attempt to answer the subsequent two research questions.

The literature review began to address RQ 1 by identifying a number of factors potentially contributing to HR reputation: perceptions of HR service, positioning and leadership, context, trust, and skills and abilities. A considerable amount of support was found in the literature indicating that these issues could be instrumental in influencing perceptions and judgement about HR, which the literature implies is the foundation for reputation.

These issues have been further refined by the exploratory qualitative work into the sub-scales described above: expectations of HR service, trust, skills and abilities, and HR performance. These have been presented with the evidence to suggest that the four factors or sub-scales together will provide a reliable measure of HR reputation. In addition a number of items have been suggested by the literature and the qualitative

exploratory research to collect data to test and refine the scales. The quantitative work will further refine and confirm these factors and identify the nature and number of factors within each sub-scale, using exploratory factor analysis to determine the factors within each sub-scale and confirmatory factor analysis to confirm these factors and establish reliability and validity of the scale.

However, inevitably the literature review and exploratory work have also raised a number of additional questions around the formulation of HR reputation, which has influenced the conceptual framework. In particular it has raised the issue about whether there are certain contextual factors that might explain differences in HR reputation. Given the complexity it has raised around the antecedents of HR reputation, particularly performance and trust, there are many different factors within each of these antecedents that might help explain HR reputation. These issues offer some help in developing the research questions further and informing the conceptual framework.

First, given that the literature, qualitative work and stakeholder theory imply that different views of HR may be held by different stakeholder groups operating at different levels of the organisation, it will be necessary to investigate the different factors within each potential sub-scale and consider whether these are relevant to different stakeholder groups. Second, given the divergence of views between line managers and HR managers on HR activity and outcomes, it will be necessary to investigate the relationship between line manager responsibility and HR reputation – particularly whether those with line management responsibilities have a more positive or negative view of HR. Finally, given that the HR profession has exerted efforts to legitimise itself through developing performance measures focused on added value, whereas line managers and others appear more interested in effective delivery of HR services, it will be necessary to consider the nature of the relationship between HR responsibility and the performance measures being used to measure the outcomes from HR activities.

The research questions are primarily concerned with the relationships between the variables and HR reputation. However, to answer these it will also be necessary to consider the internal structure of each of the four variables and identify the factors that compose them. Context has been discarded as a variable but that has not diminished its importance to shaping perceptions and assumptions about HR. As a result these further

issues that have been identified have been developed into hypotheses below, and the quantitative data will be used to attempt to prove or disprove them.

Although the literature provides some clues to the potential factors within each sub-scale, exploratory factor analysis of the pilot data will be used to examine the model put forward at the end of this chapter and identify the factors that comprise each sub-scale, and confirmatory factor analysis of the main study data will be used to test the fit of the model to confirm if the sub-scale is associated with HR reputation and if, therefore, it is a reliable measure of HR reputation. However, the literature and qualitative work have identified a large number of items that may be relevant to collect the data to achieve this. These items have been refined to develop the questionnaire items for collection of the pilot study data.

4.4 Hypotheses development

Following identification of the research questions, the following hypotheses have been developed. These are concerned with the variables that might explain variance in HR reputation once a measure is established. The literature identified a number of factors that may influence perceptions and judgement about HR, including the context and positioning of HR, views of senior management, and prior experience of HR. However, their weight of evidence suggests there are three main areas that may have the greatest influence on HR reputation. The first is the area of line management and whether or not individuals with line management responsibility have more positive or negative views of HR than other employees. The second is concerned with the way in which HR is delivered in organisations, and whether there are more positive or negative views of HR when HR services are delivered through shared service centres. The third area is concerned with perceptions of whether or not HR add value in organisations and is concerned with the relationship between the belief that HR adds value rather than just delivering a necessary service at a necessary cost and positive or negative views of HR overall. The theoretical underpinning and conceptual arguments for each hypothesis is presented below.

4.4.1 Line management

There is a lot of literature that deals with the relationship between line managers and HR practitioners (for example see Alfes et al., 2013; Purcell and Hutchinson, 2007; De Winne

et al., 2013). These studies imply a problematic relationship between HR and the line, which supports the idea that line managers may therefore view HR differently from other employees. Purcell and Hutchinson (2007) suggest that people management practice is experienced through the line manager because it is the line manager who delivers this practice. This further suggests that line managers are important stakeholders for HR. The problem with this is that often HR responsibility is assumed to be a relatively minor part of the line manager's role and line managers receive very little time or training to carry out this aspect of their role (Renwick, 2003; Whittaker and Marchington, 2003). Neither do line managers necessarily want to become experts in HRM (for example Gratton, Hope-Hailey, Stiles, and Truss, 1999). As well as lacking the knowledge and skill to carry out HR work (Hutchinson and Purcell, 2010; Maxwell and Watson, 2006; Renwick, 2003; Teague and Roche, 2012), line managers often have little respect for HR work, viewing it as 'soft' or value-sapping (Boaden, Marchington, Hyde, Harris, Sparrow, and Pass et al., 2008). They may also be inconsistent in their applications of HR practice – possibly because of lack of training in the purpose of policy implementation, but also potentially because they feel the need to retain flexibility over how they interact with and treat individual staff members (Marchington, Rubery, and Grimshaw, 2011; Marchington and Suter, 2013).

There is also evidence that line managers lack the competence to deliver HR practice or dislike doing so Holt, Larsen and Brewster (2003). They dislike the bureaucracy that comes with people management practice, particularly performance appraisal – one of the key practices delivered by line managers (Gratton et al., 1999). Performance management is often done poorly by line managers (Guest and King, 2004, and Dibben, James, and Cunningham (2001) found that line managers' resistance to involvement in long-term sickness absence is due to a lack of training and the need to supervise punitive sanctions authorised by HR. In addition, the exploratory work reported above found that many line managers feel unprepared or untrained to deliver HR.

Further evidence suggests that line managers do not always identify with the aims and objectives of senior managers, with some actually seeing themselves as quite distinct from senior management. They may even doubt the validity of the importance of employee involvement or engagement, seeing this as 'soft' management (Gleeson and Knights, 2008; Wilkinson and Dundon, 2010). This may be exacerbated from their lack of involvement in strategic decision-making such as change strategies, their isolation from

senior management, and increasing pressure on the line management role, both from above and below (Currie and Procter, 2001; McCann, Morris, and Hassard, 2008; Rubery, Cooke, Earnshaw, and Marchington, 2003).

Not surprisingly, the literature suggests that line managers view HR less favourably than other employees (Tsui, 1990; Wright et al., 2001), possibly because they have different expectations of support from HR to fulfil their people management role. They may also feel under pressure because they are required to take on what were historically activities carried out by an HR department (Piening et al., 2014; Purcell and Hutchinson, 2007). This finding was supported by the exploratory work, which suggested that line managers felt unsupported by HR and question HR's willingness to take responsibility for the consequences of the advice they gave to line management.

Hence there are a number of reasons to suspect that those with line management responsibility will have more negative views of HR reputation. The arguments for devolution of HR practice to line managers has been heavily informed by the theory that this would free up HR to address major organisation strategies, which have implications for performance (Sisson and Storey, 2000). However, conversely, there is also evidence that devolution of HR has been pursued as a cost-cutting strategy (Kulik and Perry, 2008; Holt, Larsen and Brewster, 2003). A reduction in the size of the HR function has been described as an 'obvious implication' of devolution of HR practices to line managers (Holt, Larson and Brewster, 2003: 230). Although some studies report beneficial outcomes from the devolution of HR (Kulik and Perry, 2008), others report negative outcomes, such as less effective HR, inconsistency in implementation of HR practice, and greater workload, frustration and stress for line managers (Conway and Monks, 2010; McConville, 2006; Renwick, 2003). There is evidence that strategically integrated HR functions make greater efforts to involve line managers in HR activities (Brandl, Madsen, and Madsen, 2009) and that successful HR relies on a partnership approach between HR, line managers and employees to manage HR issues effectively (Jackson and Schuler, 2000: 15). All of this suggests that line managers are more closely involved with HR than other employees and it is argued that for HR practice to be effective, a close relationship is needed between HR and line managers (Boudreau, 2015; Purcell and Hutchinson, 2007; Ulrich et al., 2015).

This brief review identifies a number of issues that may impact the way line managers view HR. These include the view that HR work is being 'dumped' on them by the devolution of people management responsibility and that their responsibilities and workload are being squeezed both from above, where they are expected to take on additional accountabilities and raise performance, and from below, where they are required to deal with more complex and individualised people management strategies such as engagement, organisational learning or knowledge management. As a result the following hypothesis is proposed:

Hypothesis 1: Line management responsibility will be negatively associated with HR reputation.

4.4.2 HR delivery model

A further issue raised by the literature is the model by which HR services are delivered to the organisation. This includes outsourcing HR and the rise of shared service centres. Both phenomenon take the delivery of HR services away from the workplace and remove much of the face-to-face contact between HR practitioners and employees. They both also lead to a greater differentiation of roles within HR, creating 'experts' to provide guidance on different aspects of HR and the increasing devolvement of HR activities to line managers. The move towards shared service provision of HR has led to a blurring of the lines between which services are provided in-house and which external to the organisation. Shared service centres have often been accompanied by greater levels of outsourcing or transactional HR activities such as payroll, recruitment or training, and the development of e-HRM to enable self-service systems and to empower line managers and employees to carry out many of these HR transactional activities themselves.

There has been much written about HR delivery, with perhaps the greatest influence being from the work of Ulrich (Ulrich, 1997; Ulrich and Brockbank, 2005). The three-legged stool model initially proposed by Ulrich combined with the drive for HR effectiveness and efficiency (Farndale et al., 2009) has driven the emergence of shared service centres and devolved HR. However, prior to Ulrich's work other research was also advocating a variety of roles for HR. Among the early attempts to assess the impact of workplace change on HR and the roles it was required to perform was that of Storey (1992). Drawing on case-based work in 15 organisations, Storey identified four key roles

for HR based on the dimensions of intervention versus non-intervention and strategic versus tactical. Later Ulrich (1997) addressed the future roles for HR practitioners, albeit from a US perspective. Once again, four roles were identified (later five) based on the dimensions of strategic versus operational and process versus people oriented. Caldwell (2003), re-examining these models, found that neither could adequately accommodate the increasing tensions between management expectations of performance, the HR profession's desire for professional status, and the ability of HR to deliver on all the required roles.

Despite this there is no doubt that Ulrich's work has had a profound influence on the delivery of HR and particularly the development of the business partner model (Guest and King, 2004). However, Caldwell (2003: 1003) warned that 'Ulrich's prescriptive vision may promise more than HR practitioners can ever really deliver'. Furthermore, a number of surveys carried out since 2000 by IRS Employment Review and Expert found that administrative work still dominates the HR function and strategic activities actually took up very little of HR's time and that HR make a limited contribution to strategy (for example Juul Andersen and Minbaeva, 2013). There is also a growing body of evidence to suggest that attempts to implement the Ulrich 'three-legged-stool' model have often failed because of a lack of skill within both HR and line management, lack of thought to its implementation and purpose, and the creation of a vacuum between delivery of administrative services through shared service centres or do-it-yourself intranets and the supposedly strategic business partner role (Hird et al., 2010; Keegan and Francis, 2010).

As well as the influence of Ulrich, other developments in the delivery of HR services have included the increased use of outsourcing and e-HRM, both as alternative delivery methods in themselves or to support the use of shared service centres. Outsourcing describes the growing phenomenon of organisations subcontracting their transactional HR work to a third party. Sometimes there is a blurred distinction between this and shared service centres, as in the public sector in particular shared service centres are often established to meet the needs of several organisations.

Much of this may be in response to growing pressure to cut costs. Between the global financial crisis of 2008–09 and 2011, there was a more than 10% rise in spend on HR consulting and the continuing growth of outsourcing companies such as Aon Hewitt, Capita and Northgate suggests this trend has not diminished. However, there have also

been some major issues with outsourcing that have caused some large companies to bring their transactional activities back in-house, for example BP. This suggests that outsourcing providers lack the insight into internal factors, products and processes that may impact the way HR services are delivered in client organisations.

The use of outsourcing and shared service centres has had negative consequences, such as low levels of satisfaction from line managers, reducing opportunities for HR practitioners to both enter the profession and develop their HR careers, high costs, and the transfer of jobs to lower wages with more repetitive and less interesting work, leading to higher turnover and low staff morale (Cooke, 2006; Farndale et al., 2009; Reilly, 2000). In addition, line managers using them reported their own workload had increased and there was a problem getting access to high-quality HR advice (Cooke, 2006). The exploratory work supported this, indicating that the move to shared service centres was viewed as negative by line managers as they did not feel they had access to the same level of support or knowledge (see Chapter 3).

The use of e-HRM has increased to facilitate delivery of transactional HR by external providers and shared service centres. Parry and Tyson (2011) found there was a link between greater use of e-HRM and a more strategic HR function. However, they also found that e-HRM often has disparate goals and varying levels of success. For example, the use of e-HRM often reduces the need for HR practitioners and relies on employees and line managers performing HR work for themselves, which may lead to inconsistencies in record-keeping. Also, whilst e-HRM may be useful for some of the more bureaucratic tasks, such as absence management or personal data, its use in talent management or succession planning is limited (Bondarouk and Ruël, 2009; Farndale et al., 2009).

In many instances it has been reported that the use of outsourcing and shared service centres has been driven by the desire to improve the credibility or reputation of the HR department (Marchington and Wilkinson, 2012). Shared service centres have been particularly associated with the implementation of the Ulrich model and the desire to free up HR time to focus on more strategic activities. In theory this should advance the reputation of HR, as HR is seen as more strategic and hence influential within the organisation. However, from the empirical evidence currently available this does not appear to be the case, and the following hypothesis is therefore proposed:

Hypothesis 2: The use of outsourced HR services to deliver HR will be negatively related to HR reputation.

4.4.3 HR added value

The issue of HR added value has received much consideration in the literature; however, as yet there are no conclusions on how to measure HR added value. In addition, the value of HR is open to interpretation. Buyens and De Vos (2001) concluded that although there are many promising studies exploring how HR realises its strategic intentions to add value, these are open to interpretation by different stakeholder groups. Ulrich (1997) proposed measuring HR added value in four dimensions and over both short- and long-term timeframes, with the emphasis on what HR achieve rather than what they do. A number of other studies (Buyens and De Vos, 2001; Tichy, Fombrun, and Devanna, 1982) advocate measuring HR added value on a number of dimensions rather than merely the strategic dimension, which has been the focus of attention for many HR departments in practice. Buyens and De Vos (2001) argued that HR could add value in four domains linked to administrative tasks, involvement in decision-making, championing the interests of employees, and by acting as a strategic partner of business. Studies of strategic integration (for example Legge, 1995) imply that strategic integration is more than simply matching HR resources with business strategy, and in practice the perceived value of HR resources will have an impact on their ability to integrate with business strategy and ultimately add value. It would appear therefore that these domains are not independent and that HR is likely to be judged on both the quality of its input as well as its output.

In fact there does seem to be a difference in value-adding measures between transactional and transformational HR. Whereas transactional HR is often valued for its cost-effectiveness and quality in terms of a lack of error, transformational HR is valued in terms of the extent to which it achieves its intended consequences (Buyens and De Vos, 2001; Lepak, Bartol, and Erhardt, 2005). Hence transactional HR services may be viewed in terms of a hygiene factor. It may not increase end-user satisfaction or perceptions of HR if implemented to a certain standard of accuracy and cost but may decrease end-user satisfaction or drive negative views of HR if implemented poorly (Boselie and Paauwe, 2005). Transformational HR, however, is more likely to be valued for its use value and the extent to which it meets organisational and individual needs in

terms of providing training, improving employee well-being or other work-related outcomes or giving them better experiences of HR (Meijerink and Bondarouk, 2013).

It would seem likely therefore that perceptions of added value are likely to be associated with perceptions of HR reputation and that where the perception is that HR are adding value to the business, either through effective, cost-efficient services or because HR practices are achieving their intended outcomes, there will be more positive views of the HR function. The following hypothesis is therefore proposed:

Hypothesis 3: Perceptions of HR added value will be positively related to HR reputation

4.5 Summary

This chapter presents the conceptual framework that has been informed by the literature review and the exploratory work and that has influenced the design and methodology for the quantitative data collection and analysis. It has revisited the research questions initially set out in Chapter 1 and considered them in the light of literature and the data collected from the exploratory work. The four variables described in the model presented in Figure 4.1 have been chosen because the evidence from literature and the exploratory study suggests these variables together may give the best indications of HR reputation. Theoretically, by measuring perceptions of HR service, trust, judgements of skills and abilities, and HR outcomes in the form of employee well-being and effectiveness of HR practice, an accurate view of HR reputation can be established. Although linked, each variable represents a particular dimension of HR reputation. Expectations of HR service relate to the support HR functions and practitioners offer to individual employees and managers to manage their employment relationships with the business. Trust relates to mutuality and the extent to which individuals believe HR practitioners share their values and objectives. Skills and abilities relates to the knowledge input from HR and whether individuals believe HR practitioners have the right skill set, knowledge and competency to deliver what is needed to support them and the business. And finally performance relates to how HR outcomes are perceived.

The chapter has also presented a number of additional issues and hypotheses to be considered through scale development and hypotheses testing. These questions are concerned with the complexity of HR reputation and the variables that might explain differences in reputation, which are serviced from the context in which HR operates.

The issue of context would also seem to be important, particularly in two areas: first, in terms of the level of involvement of line managers in the implementation of HR practice and the level of responsibility devolved to line managers for transactional HR practices; and second, in terms of the way in which HR is delivered in organisations and particularly the use of shared services centres to deliver HR transactional practice. However important, the exploratory research and the literature has demonstrated that context will be difficult to measure. As a result it may be more useful to investigate how HR reputation is likely to vary between contexts once a measure of HR reputation has been developed. Furthermore, evidence suggests that different stakeholders such as managers and employees are likely to have different views of HR and hence form different judgements, and that judgements of HR reputation may be influenced by the model within which HR services are delivered and whether HR are perceived to add value or as a necessary service delivered at a necessary cost to the organisation.

5. Development of the HR reputation scale

The major study in this research is a large-scale survey of employees using a quantitative methodology. This has been preceded by a pilot survey to develop and refine the items for the main study. The overall purpose of this study is to confirm the variables contributing to HR reputation identified by the literature review and the exploratory work and to present them as a scale to measure the identified factors and overall HR reputation. The secondary purpose is to generate data to test the hypotheses put forward in Chapter 4 above regarding how HR reputation is viewed in different contexts and to start to explore some of the factors that might drive differences in HR reputation.

The exploratory work discussed in Chapter 3 started from an inductive research perspective. As very little work existed on HR reputation, it was difficult to derive a theory from the literature. However, by making observations of HR in practice, but collecting qualitative data from line managers and HR managers and examining these in the light of the literature, it has been possible to put forward a more detailed conceptual understanding of how HR reputation may be constructed and how existing theories potentially underpin this construct. The following research can therefore take a deductive approach in that we now have some theory from which hypotheses can be derived and tested. However, the issue of HR reputation is complex, and although theory and empirical evidence suggest that such a phenomenon exists, it cannot be directly observed and can only be measured through the variables that collectively relate to it. The four variables contributing to HR reputation are open to reinterpretation following collection and analysis of quantitative data and the mechanisms of the relationships are likely to be contingent upon context.

Scale development has been approached using the framework suggested by DeVellis (2011). DeVellis advocates eight stages for scale development and this study has been designed to address each stage in turn.

Table 5.1: Stages for scale development

Step 1	Determine what is to be measured
Step 2	Generate an item pool
Step 3	Determine the format for measurement
Step 4	Review item pool
Step 5	Consider validation items
Step 6	Administer the items
Step 7	Evaluate the items
Step 8	Optimise the scale

Adapted from DeVellis (2011)

Stage 1 has largely been addressed in Chapters 2 and 3. The second stage also draws heavily on the literature reported in Chapter 2 and the exploratory work reported in Chapter 3. However, this chapter will describe how this item pool has been refined through consultation and review. Therefore this chapter presents results from the exploratory factor analysis (EFA) of pilot data and subsequent review of the item pool and confirmatory factor analysis (CFA) of the final data collected from the main survey. The validation of the scale and the results of correlation and regression analysis to test the hypothesis developed in Chapter 4 are presented in Chapter 6. Table 5.2 below gives a summary of the action taken to address the eight steps suggested by DeVellis (2011).

The preceding chapters have generated the model presented as Figure 4.1 in Chapter 4 above. This model has been developed from the literature review and exploratory research and was used to develop the conceptual framework discussed in Chapter 4. This is the model that will be explored in the quantitative research. The model suggests that the four sub-scales of expectations of HR service, skills and abilities of HR, trust in HR (including HR's role in ensuring procedural and distributive justice) and HR performance will together explain HR reputation. Within the performance factor, there are potentially three measures of HR performance: well-being, HR effectiveness and added value.

Table 5.2: Overview of actions taken to address each step of scale development

Stage	Action	Sample	Results achieved and steps taken
Step 1 Deciding what to measure	Literature review (reported in Chapter 2) Refined by qualitative exploratory work reported in Chapter 3.	n=25 HR managers, 13 line managers, 2 HR commentators	Preliminary model generated identifying the areas potentially impacting on HR reputation.
Step 2 Generating the item pool	Literature review (reported in Chapter 2) Qualitative exploratory work reported in Chapter 3.	n=25 HR managers, 13 line managers, 2 HR commentators	Review of the preliminary model and development of 4-scale model of HR reputation.
Step 3 Identifying the format for measurement	Methodology design		Review of the most appropriate methodologies, format categories and response format.
Step 4 Review of questionnaire items	Item generation and questionnaire design. Review of 150 potential items using consultation.	n=6 2 HR directors, 1 management researcher experienced in research design, 4 academic colleagues (including PhD supervisors)	Further consultation on the items generated from the literature and exploratory work. Review and generation of item pool consisting of 91 items and confirming the 5-point Likert scale format for measuring.
Step 5 Validation items	Quantitative work. Pilot stage. Collecting pilot data for exploratory factor analysis (EFA) scale dimension and reliability.	n=120 UK individuals employed in an organisation with an HR function	120 valid responses collected. EFA solutions obtained for all scales, factors identified and poorly loading items eliminated.
Step 6 Administering the items	Main survey data collection instrument administered using Qualtrics survey software to a sample of UK employees in organisations with more than 100 employees.	n=468 UK individuals employed in an organisation with an HR function	468 valid responses obtained (subsequently split into data set 1 (n=268) and data set 2 (n=200).
Step 7 Validating the items	Performing confirmatory factor analysis (CFA) scale dimension and reliability	n=268 UK individuals employed in an organisation with an HR function	Model fit performed for all scales. Validation of all scales, redundant items and factors eliminated.
Step 8 Optimising the scale	Correlations of main study data using the split data sets, split to compare the scale of HR reputation with validated scales of well-being, motivation and organisational citizenship.	Split data n=200 (validated scale data) and n=268 (HR reputation data)	Further scale validation.

Table 5.2 above summarises the action take at each stage of scale development. Further work using the main study data (n=468) to test the hypotheses developed in Chapter 4 is reported in Chapter 6. This work explores the relationships between HR reputation and the HR delivery model, the level of line management responsibility and perceptions of HR added value.

5.1 Deciding what to measure (step 1)

As discussed in the introduction, work on HR reputation was limited. As a result there were very little indicators immediately apparent as to the dimensions of HR reputation. A comprehensive review of the literature was required to identify the relevant issues that seem to be contributing to HR reputation and also to define the nature of HR reputation and the potentially relevant theories informing it. The lack of empirical evidence also highlighted a need to test these issues empirically. The issues that were supported both by the literature and empirical evidence were those finally chosen for inclusion in the model of HR reputation, which informs the following work.

5.2 Generating the item pool (step 2)

DeVellis (2011: 84) suggests that survey items should be selected with the specific measurement goal in mind. He recommends that 'all items in the homogenous scale should reflect the latent variable underlying them'. As a result the literature review and the exploratory research were used extensively to identify and select items. An initial large item pool was generated from the literature review and used to identify interview questions for the qualitative work. Items were added from the findings of the qualitative work and an initial list of 150 items was produced. These items were grouped according to the four sub-scales identified in the model described above as those variables potentially contributing to the latent variable of HR reputation. These were further grouped to reflect the different levels at which HR reputation might be formed: individual, departmental or organisational.

Two HR directors, a research professional and an academic colleague experienced in questionnaire design were asked to comment on this initial list generated from the literature and qualitative research. The items were also discussed along with a presentation of the themes emerging from the exploratory work with two groups of HR

practitioners and a group of MBA students. Views were solicited on the understanding of the items to gauge whether different individuals would have the same understanding of meaning of each item. Views were also asked for on the relevance of items and whether individuals would have sufficient information to respond to items accurately. These views were pooled and considered, with items being discarded, merged or reworded in the light of the comments received. (See Appendix 2 for initial survey items and their sources.)

The initial item pool resulting from these consultations consisted of 91 items generated from the analysis of the literature (see Chapter 2), the interview schedule developed for the exploratory work (see Chapter 3), and subsequent analysis of the data and five validated scales and consultation and revision. After revision it was found to still be appropriate to group these items under the four sub-scales of expectations of HR service, trust, skills and HR performance. Again, within each sub-scale items were included to collect data at the individual, departmental and corporate level. The full list of items with their sources can be found at Appendix 2. A total of 33 items were informed by various sources from the literature review. Items to collect data on HR performance at the corporate level were adapted from the HR balanced scorecard (Becker et al., 2001). Items to collect data on HR's effectiveness at the departmental level were adapted from Guest and Conway's (2011) work on HR impact on organisational outcomes and Purcell and Hutchinson's (2007) work on front-line managers. Items relating to departmental-level skills were adapted from Ulrich et al.'s (1995) work on HR competencies, and items relating to individual skills were adapted from Caldwell's (2003) work on the changing role of personnel managers and Nylan and Marlowe's (1997) trust inventory. Further items were adapted from the interview schedule used to collect data for the exploratory work and from comments and issues raised by interviewees. All the items adapted related to the themes identified by the content analysis. Finally, validated scales of distributive and procedural justice (Colquitt, 2001), well-being (Brunetto et al., 2011), motivation (Kuvaas, 2008) and organisational citizenship (Lee and Allen, 2002) were adapted and used to measure trust and performance outcomes. Distributive and procedural justice was identified in the literature as important dimensions concerned with the issue of justice rather than trust. Distributive and procedural justice are the two most common dimensions of justice discussed in the literature, distributive justice being concerned with the outcomes of justice and procedural justice being concerned with the process by which those outcomes are decided. There is also evidence that justice plays

a mediating role in the relationship between employee commitment and HR practices (Farndale et al., 2011). Well-being, motivation and organisational citizenship have all been argued to be outcomes of HR practice.

These items were chosen to reflect the breadth of the construct of HR reputation identified from the literature review and qualitative research. DeVellis (2011: 84) recommends that 'although items should not venture beyond the bounds of the defining construct, they should exhaust the possibilities for types of items within those bounds.' The items were therefore chosen in an attempt to account for the full range of factors that might potentially be used to measure HR reputation, both in terms of the sub-scales identified and the levels at which perceptions about HR might be made, as the literature implied views might differ according to the level in the organisation at which HR is operating.

The HR performance sub-set has been divided into three different sets of items: well-being, effectiveness and added value. This reflected both the literature, which implied that different stakeholders would perceive performance differently, and the qualitative work, which implied a distinction between individual and firm-level performance outcomes for HR. Employee well-being in the context of HR reputation measurement has been defined as that part of an employee's overall well-being that they perceive to be determined primarily by their work and which can be influenced by workplace interventions. This definition is informed by Juniper, White, and Bellamy (2010). Measures of HR effectiveness have been chosen to reflect the extent to which HR practice achieved its 'intended' outcomes. A number of authors have investigated the difference between the intended and actual outcomes of HR practice (Guest and Conway, 2011; Purcell et al., 2009; Wright and Nishii, 2007). Guest and Conway (2011) identified nine groups of HR practice: resourcing, development, appraisal, compensation, job design, communication, employment security, single status and quality/involvement. This work was informed by the work of Guest et al. (2003), where 48 items had been identified from the literature to measure the existence of HR practices and correlation of these practices with independent measures of firm performance. In their later work, Guest and Conway (2011) asked about the effectiveness of practice in achieving an intended outcome, namely achievement of organisational goals. They achieved good support for the hypothesis that effectiveness of practice will be more important in determining outcomes than presence of practice. These items have been used on a

number of occasions to provide good-quality outcomes, and use of these items will enable comparison to be made with other studies on the impact of strong HR systems on performance outcomes.

There are no credible validated scales of HR added value available in the literature. However, the HR scorecard and the workforce scorecard (Becker et al., 2001) describe a framework in which the value of HR can be assessed in terms of its contribution through its practice, competence, systems and deliverables. The scorecard has five key elements: workforce success, HR costs, HR alignment (extent to which HR is aligned with the business strategy), whether the right practices are in place, and HR professional skill. A number of indicators have been developed in each of these categories, two of which – HR professional skill and practice – are addressed elsewhere in the model. However, the issues of alignment to strategy and workforce success do provide new indicators, and these will be developed to address the added-value dimension of the HR performance measurement scale.

5.3 Identifying the format of measurement (step 3)

The study is a cross-sectional design and uses a survey methodology. Scale development requires a large number of responses, which can only be generated in a reasonable timescale by a quantitative survey. There is no agreement on sample size for factor analysis and the advice generally falls into two camps: the size of the overall sample and the size of the subject to items ratio (Costello and Osborne, 2005). However, all agree that more is better, with arguments ranging between a subject to item ratio of 1:10 (Nunnally, 1978) to 1:5 (Gorsuch, 1983; Hatcher, 1994). However, some exploratory factor analysis results have been reported in subject item ratios of 2:1 (Costello and Osborne, 2005). The instrument of measurement used for both the pilot and the main survey was a detailed e-survey designed using the Qualtrics software with a short covering letter providing information on the scope and purpose of the survey and guaranteeing participants' anonymity.

The pilot survey consisted of two surveys four weeks apart. Survey one contained 59 items plus 8 control items (70 items in total) and achieved 120 useable responses (n=120). Survey two contained 32 items plus the same 8 (total 40 items) control variables and produced 83 responses which could be matched with survey one (n=83). This

means the subject item ratio of the first survey is at the very bottom of the range of acceptability at 2:1 and the second survey only slightly better at 2.5:1. However, the main study contained 68 items plus 9 control items and one additional question, making 78 items in total. This survey achieved a response rate of 468 (n=468) and a subject item ratio of 6:1, within the acceptable parameters. To further validate the scale a third study was performed using the main survey data. This data was split, with 268 responses being used for analysis of the items (EFA and CFA) confirmed as items within the scale of HR reputation (sample one) and 200 responses being used to analyse the data on the outcome measures of well-being, motivation and organisational citizenship (sample two). In this study sample one is being used to collect and analyse data collected from 50 scale items plus 9 control items, giving a subject item ratio of 5:1. Sample two is being used to analyse 18 items plus 9 control items, giving a subject item ratio of 11:1. Both are well within the acceptable boundaries.

The literature and theory suggest that HR reputation is perception-based and that reputation comprises shared perceptions and judgements. Therefore items were asking how strongly views or perceptions were held about the components of HR identified from literature and qualitative work. As a result, in both the pilot and main survey a five-point Likert scale was used asking respondents to rate their agreement or disagreement with the items presented as statements. Where items were negatively worded, these were subsequently re-coded to ensure all items were measured consistently. All items were also equally weighted to allow for summation into a scale.

5.4 Review of questionnaire items (step 4)

Once reviewed and edited the items were written as quantitative survey items, with some items being worded negatively to account for potential content bias (as suggested by Baumgartner and Steenkamp, 2001). Items comprised statements which respondents were asked to rate according to a five-point Likert scale. Examples of items include: I receive the support from HR I need to do my job effectively; HR provides accurate and trustworthy information. Response choices were: strongly agree=1, agree=2, neither agree nor disagree=3, disagree=4, strongly disagree=5. To control for bias some questions were reversed and presented as negative statements, for example: HR does not understand the needs of managers; it is unclear how HR policies link together. So for these items 1 would equate to a more negative view of HR. For the final analysis the

codings for positively worded questions were reversed and items were recoded so that 1 equated to a more negative view of HR and 5 to a more positive view. This produced a total of 91 items for the pilot study, which were administered via Qualtrics e-survey software using two surveys distributed four weeks apart. (For a full breakdown of items and their sources under each sub-scale, see Appendix 2.) Hereafter these sub-sets – expectations of HR service, trust, skills and HR performance – will be referred to as sub-scales, as the aim of the pilot work is to prove they are sub-scales of HR reputation which can together form a reliable measure.

Before launching the pilot survey these items were sent once again to a group of non-HR managers for review to ensure they understood what was being asked of them and interpreted questions consistently. As a result of this review, some minor editing of wording was carried out.

5.5 Validation of items – the pilot study (step 5)

The pilot survey was launched in July 2015 to the alumni group of the Kingston Business School MBA, which consists of over 9,000 managers. The survey was promoted via the MBA alumni LinkedIn group. This survey comprised two separate questionnaires administered four weeks apart, as described above. The first questionnaire (survey one) contained only items developed from the exploratory research and the literature review relating to all four sub-scales in the model of HR reputation. This totalled 59 items plus 8 control items. The second questionnaire (survey two) consisted of items from validated scales of motivation, well-being and organisational citizenship related to the sub-scale of HR performance, and validated scales of distributed justice and procedural justice related to the trust sub-scale (for a full list of items for survey one and two and their sources, see Appendix 2) and was administered four weeks after survey one. This survey contained a total of 32 items plus 8 control items. Both surveys were sent to the same sample group, with those who responded to survey one being asked to complete survey two. A total of 147 responses were received from survey one, providing 120 valid cases. Twenty-seven responses were rejected because they either did not have an HR department or were not currently employed. Survey two produced 83 valid cases where respondents could be matched with survey one.

A covering letter accompanied the survey informing participants of the purpose of the study and how the data would be used. Participants were informed they would not be identified in the subsequent analysis and write-up of the survey data and that the data would be stored securely. On distribution of the first survey they were also informed they would be contacted again to provide further responses.

Two survey tools were used collecting self-report data from the same individuals at least two weeks apart to further deal with the issue of common method bias that could result in measurement error. Podsakoff and Todor (1985: 65) stated: 'Invariably, when self-report measures obtained from the same sample are utilised in research, concern over same-source bias or general method variance arises.' Jakobsen and Jensen (2014) identified four potential sources of common method bias. These are: bias arising from using one source – a single individual; bias produced by item context; bias produced from item characteristics; and bias produced from measurement context. Podsakoff, MacKenzie, Jeong-Yeon, and Podsakoff (2003) recommend that in circumstances where the source of method bias cannot be identified, both procedural remedies in survey design and time-lapsed collection of data would help reduce the likelihood of bias.

By collecting the data over a time-lagged period it was considered there would be less risk in respondents' previous answers influencing later responses and hence control at least in part for item characteristic and item context bias. In addition, several of the questions were worded negatively to also reduce the risk of common method bias and care was taken in the wording of questions to avoid implying there was a right or wrong answer. Finally, emails inviting respondents to complete the survey were carefully worded to avoid making potential respondents aware of any expectations of results.

The aim of the pilot was to identify the factors within each sub-scale, eliminate factors that do not fit the model, and refine the items for inclusion in the survey for the main study. Stevens (1996) suggests that factor analysis is an appropriate method to explore data to determine the number or nature of factors that can account for co-variation between variables. The results were subjected to exploratory factor analysis to reduce the number of items for collection of the final data. There are two options for factor analysis: principal component analysis, which explains the variance in the observed sample, and maximum likelihood factor analysis, which explains the variance in the population from which the sample has been selected. In this instance we are attempting

to make inferences about the population of HR stakeholders to measure their perceptions of HR. As a result, maximum likelihood and oblique factor rotation have been used. This method was chosen to reflect the assumption that factors will be related to each other and that the sample will represent perceptions of HR reputation held by the wider population of employees from which the sample is drawn.

There were a total of 120 useable responses from survey one, of which 83 also responded to survey two. Of these, 70% reported they were working in an organisation with an in-house HR function delivered by professionally qualified HR staff. A further 18% reported an in-house HR function staffed by people with no HR qualification, and the remainder reported an outsourced function or a shared service. The largest group, 45%, were employed in the private service sector, with 25% employed in public services (not NHS), 13% in the not-for-profit sector, 5% in private sector manufacturing, 7% in the NHS, and 5% describing themselves as employed in some other sector. Twenty-seven per cent were employed in organisations employing more than 10,000 people, 32% in organisations employing between 500 and 9,999, 23% in medium-sized organisations employing between 100 and 499, and 18% in organisations employing fewer than 100 people. Forty-six per cent were male and 54% female, 58% had line management responsibility and 67% described themselves as working full-time, 18% part-time and the rest on contracts or a partner or owner of the business.

The descriptive statistics for all the variables in both survey one and survey two (see Appendix 3) indicate that many of the responses erred towards the negative. The highest scored variable, which achieved a mean score of 3.88, was 'Individual employees can describe the HR strategy of the business'. The lowest scored variable, which achieved a mean of 1.8, was 'HR is a professional role which should be filled by professionally qualified people'.

5.5.1 Results of exploratory factor analysis

All responses for survey one have been analysed in relation to the four sub-scales. The merged results of surveys one and two have been analysed for the sub-scales of trust and HR performance where items relevant to both sub-scales were contained in both surveys.

Only loadings greater than 0.500 have been retained given a sample size of only 120. The cut-off for acceptable factor loadings is dependent on sample size. Bigger samples can support smaller factor loadings (Field, 2000). Some researchers suggest that it is acceptable to accept items loading to factors >0.400 (Stevens, 1996). However, in view of the small sample with this pilot data, >0.500 has been chosen as the cut-off point. This has eliminated some factors as no items loaded significantly strongly to be reported. Cronbach's Alpha has been reported for each sub-scale as an indicator of the internal consistency of the sub-scale and the adjusted Cronbach's Alpha scrutinised if items were deleted to potentially identify any further items to remove from the factor analysis. The KMO and Bartlett's Test of Sphericity have also been reported for all sub-scales to judge if factor analysis was appropriate, and item variances are reported when they indicate the potential removal of items from the sub-scale.

5.5.1.1 Expectations of HR service

There are 16 items in this sub-scale, all of which were developed from exploratory work and the literature review. The Cronbach's Alpha for the initial sub-scale of 16 items is $\alpha=0.904$ on 120 valid cases, which indicated a high level of internal consistency for this sub-scale and did not identify any items for initial exclusion. Factor analysis suggested that this sub-scale would comprise four factors, which all have eigenvalues greater than one and between them explained 63.65% of the variance. The default option from SPSS was therefore a four-factor solution.

The KMO value is 0.86 and the Bartlett's Test of Sphericity value is 786.11 and significant ($p=0.000$), indicating that factor analysis is appropriate. Once items scoring less than 0.500 are eliminated, the remaining 12 items load onto four factors. Eight factors load strongly with factor one, which can be described as HR service to individuals and managers. One factor loads strongly and negatively with factor two, which is concerned with prioritising stakeholder interests; one factor loads strongly and negatively with factor three, which is concerned with HR alignment with business strategy; and one item loads strongly and negatively with factor four, which is concerned with individual access to HR information. These are interesting loadings as negative factors have the opposite characteristics to the factors they are reflecting. Examination of the scree plot reveals a clear break after factor one, with that factor explaining 42.64% of the variance. This coupled with the fact that only one item loads onto each of the further three factors

suggests that the interpretation of these results indicates that expectations of HR service should be considered as a sub-scale comprising one factor.

Table 5.3: Pattern matrix: expectations of HR service

Component	Factor			
	1	2	3	4
PERCEPTIONS OF HR SERVICE				
HR understands the need to ensure people are motivated and satisfied at work.	0.798			
HR provides a service to the business that adds value.	0.786			
HR understands the needs of managers.	0.729			
HR supports managers to develop relevant people management skills.	0.679			
I receive the support I need from HR to do my job effectively.	0.667			
It is clear how HR practices link together.	0.654			
HR works effectively with line managers.	0.642			
HR clearly demonstrates the value to the business of treating people well.	0.536			
PRIORITISING STAKEHOLDER INTERESTS				
HR gives equal levels of service to everyone regardless of their status and influence in the organisation.		-0.979		
ALIGNMENT TO STRATEGY				
HR clearly communicates a people management strategy that is aligned to business strategy.			-0.923	
ACCESS TO HR ADVICE				
I know the person to go to if I need specific advice.				-0.912

Notes:

Extraction method: Maximum likelihood.

Rotation method: Oblimin with Kaiser normalisation.

11 iterations required.

Eliminated items:

HR policies are relevant to me and my job.

HR enables me to stay informed about the terms of my employment and my rights.

HR is a necessary cost to the business.

HR supports my line manager to manage me effectively.

HR balances the interests of the business with those of the individual.

Hence factors two, three and four have been eliminated, leaving one factor in this sub-scale, which has been named 'perceptions of HR service'. Both the KMO and Bartlett's Test of Sphericity are in the acceptable range to indicate that this interpretation of the sub-scale would be suitable for further confirmatory factor analysis for further investigation. The Cronbach's Alpha for the final sub-scale of nine items is $\alpha=0.909$, indicating high internal consistency for the final sub-scale.

This analysis provided no support for the notion that expectations of HR might differ according to the level at which HR was operating within the organisation. However, the high negative loading relating to the item on HR's alignment to strategy might imply this aspect of HR work was seen differently from interactions with HR on a more individual level. However, it was not appropriate to include this in the model and the results suggest there is only one level at which perceptions about HR are formed – at the level of day-to-day interaction and support with people management issues. The different levels at which HR reputation is formed have therefore been dropped from this sub-scale. The pattern matrix for this sub-scale is reported in Table 5.3 above.

5.5.1.2 Trust

The trust sub-scale initially comprised 27 items adapted from the exploratory work and literature review plus the items from the validated scales of distributed justice and procedural justice (Colquitt, 2001). The initial sub-scale of 27 items has a Cronbach's Alpha of $\alpha=0.908$ on 82 valid cases, demonstrating a high level of internal consistency and indicating that all items potentially could be included in the sub-scale. Factor analysis initially suggested that this sub-scale would comprise six factors, which together explained 72.36% of the variance.

The KMO value is 0.82 and the Bartlett's Test of Sphericity is 1627.72 and significant ($p=0.000$), indicating suitability for factor analysis. When items loading less than 0.500 were eliminated, the remaining 17 items loaded onto six factors. Three items concerning distributive justice load strongly to factor one. Seven items concerning trust of the individual in HR load strongly onto factor two. A further two items concerned with procedural justice load strongly onto factor three. Two items concerning trust in HR policy load strongly to factor four. One item loads strongly but negatively onto factor five, which is concerned with HR's ability to drive ethical leadership, and two items concerning HR

behaving fairly loads strongly to factor six. These negatively loading items are interesting and reflect a negative view of procedural justice, trust in HR and HR's ability to act fairly.

Table 5.4: Pattern matrix: trust, omitting items from validated scales

Component	Factor	
	1	2
TRUST IN HR VALUES		
HR promotes the core values of the business.	0.899	
HR demonstrates to senior managers the value of satisfied and motivated staff.	0.546	
TRUST IN HR PRACTICE		
HR policies are applied fairly and ethically to everyone.		0.726
I believe I will be treated fairly if I become disabled or ill.		0.638
HR provides accurate and trustworthy information.		0.634
Recognition always goes to the right people.		0.631
HR practices are designed to ensure I am fairly treated.		0.612
HR balances the needs of the firm with the needs and aspirations of the workforce.		0.599
My managers listen to what I say.		0.569
HR protects the rights and interests of individuals.		0.551
HR seeks to drive ethical leadership across the business where decisions about competing stakeholder needs are taken in a professional manner.		0.538

Notes:

Extraction method: Maximum likelihood.

Rotation method: Oblimin with Kaiser normalisation.

2 factors extracted. 8 iterations required.

Eliminated items:

I believe HR will always give me the best advice.

HR challenges unfair or unethical behaviour by managers.

HR ensures legal compliance in matters of employment and employee welfare.

I believe HR will take responsibility for the consequences of the advice and support they give to managers.

However, once again there was little support for the idea that trust of HR may be related to the level at which HR interactions are happening: the individual and departmental or the corporate. The scree plot reveals a clear decrease in the angle of the line after factor four. Given this and that only one item loads onto factor five and that four items together explain 64.2% of variance, it would suggest that trust can be measured by four factors. However, two of these factors relate to the validated scales of distributive justice and procedural justice and not all items from the scales load to the relevant factors, which

may be impacting on the results. Hence, to test this sub-scale further, exploratory factor analysis was repeated, omitting the items from validated scales. The pattern matrix for the analysis is reported in Table 5.4.

In this analysis there are 16 items and the sub-scale had a Cronbach's Alpha of $\alpha=0.929$ on 120 valid cases. The items being analysed are sourced solely from survey one, which has a larger number of responses ($n=120$ for survey one, $n=83$ for survey two). The two factors explain 55.28% of the variance, with a clear break on the scree plot after factor two. However, when the rotation was performed, one item – 'I believe I am treated fairly' – achieved a loading of 1.036, rendering the model invalid because of the implication that it explains more than 100% of the variance. This is referred to as an ultra Heywood case and such anomalies are more common when maximum likelihood extraction is used. Hence the analysis was run again omitting this item. In this analysis there are now 15 items in the sub-scale, which has a Cronbach's Alpha of $\alpha=0.922$ on 120 valid cases and two factors together explain 55.281% of the variance.

The results give a clear indication that there are two further factors in the sub-scale of trust. Factor one comprises two items concerned with HR's contribution to the business and has been named 'trust in HR values'. Factor two comprised nine items concerned with the fairness of HR practice, which has been named 'trust in HR practice'. The Cronbach's Alpha for factor one is $\alpha=0.699$ and for factor two $\alpha=0.891$, which is acceptable for internal consistency (Nunnally, 1978). The KMO was 0.912 and the Bartlett's Test of Sphericity 904.66 and significant ($p=0.000$), again indicating suitability for factor analysis. The likelihood therefore is that this sub-scale does comprise four factors: trust in HR practice, trust in HR values, and the validated scales of distributive and procedural justice. These factors have been identified for further investigation using confirmatory factor analysis. Although this analysis has not distinguished between trust in HR at the individual level and trust at the departmental or corporate level, it does reveal a split between trust in HR practice and how that relates to the individual and trust in HR's ability to uphold values and influence senior stakeholders on the value of people relating to HR's position at the corporate level.

5.5.1.3 Skills

The skills sub-scale comprises 13 items developed from the exploratory data and the literature review. The Cronbach's Alpha is $\alpha=0.876$ on 120 valid cases, which indicated a high level of internal consistency for this sub-scale and did not identify any items for initial exclusion. Factor analysis identified three factors with eigenvalues greater than one, between them explaining 62.119% of the variance. This initially suggested a three-factor solution, which is presented below in Table 5.5. This table shows the factor loadings after eliminating items loading less than 0.500.

Table 5.5: Pattern matrix: HR skills

Component	Factor		
	1	2	3
HR KNOWLEDGE AND SKILLS HR professionals have the relevant knowledge they need. HR professionals possess a set of professional skills which are necessary to their role. HR has the skills necessary to support line managers with the transactional elements of people management, such as recruitment, performance management and pay structures. HR as a profession attracts people with the right qualities. HR has the necessary skills to develop a business-focused people management strategy. HR ensures there is consistency and clarity in communications from senior management.	1.002 0.628 0.737 0.514 0.573 0.571		
HR BUSINESS KNOWLEDGE HR understands the interests of customers and shareholders. HR managers are equally skilled in business issues as other managers. HR has sufficient business knowledge to support managers.		0.881 0.560 0.756	
HR PROFESSIONALISM HR is a professional role that should be filled by professionally qualified people.			0.717

Notes:

Extraction method: Maximum likelihood.

Rotation method: Oblim with Kaiser normalisation.

Rotation converged in 7 iterations.

Eliminated items:

Managers in this organisation are competent to manage their people.

HR has specialist knowledge which is relevant to the business.

I believe HR is aware of the people risks facing this business, for example skills needs.

The KMO is 0.832 and the Bartlett's Test of Sphericity is 693.130 and significant ($p=0.000$), indicating suitability for factor analysis. Six items load strongly to factor two, all of which are concerned with HR knowledge and skills. Three items concerned with HR's business knowledge load strongly to factor three and one concerned with HR's professionalism to factor one. The scree plot reveals a very clear break after factor two, and as only one item loads onto factor three, this suggests that two factors can be used to measure HR skills. In addition, one item scores more than one, indicating the presence of an ultra Heywood case invalidating the model. As a result, a further factor analysis was performed forcing items into two factors and the results are shown in Table 5.6.

Table 5.6: Pattern matrix: skills (two-factor model)

Component	Factor	
	1	2
HR PROFESSIONAL SKILLS		
HR professionals have the relevant knowledge they need.	0.765	
HR professionals possess a set of professional skills which are necessary to their role.	0.678	
HR has the skills necessary to support line managers with the transactional elements of people management, such as recruitment, performance management and pay structures.	0.762	
HR has the necessary skills to develop a business-focused people management strategy.	0.629	
HR ensures there is consistency and clarity in communications from senior management.	0.564	
HR BUSINESS KNOWLEDGE		
HR managers are equally skilled in business issues as other managers.		-0.548
HR has sufficient business knowledge to support managers.		-0.766
HR understands the interests of customers and shareholders.		-0.870

Notes:

Extraction method: Maximum likelihood.

Rotation method: Oblimin with Kaiser normalisation.

8 iterations required.

Eliminated items:

Managers in this organisation are competent to manage their people.

HR has specialist knowledge which is necessary to the business.

HR is a professional role that should be filled by professionally qualified people.

I believe HR is aware of the people risks facing this business, for example skills needs.

HR as a profession attracts people with the right qualities.

The results are very similar but eliminate one other item, *HR as a profession attracts people with the right qualities*. The KMO is again 0.832 and the Bartlett's Test of Sphericity is 693.130 and significant ($p=0.000$), indicating suitability for factor analysis. This provides additional support that the skills sub-scale comprises two factors concerned with HR professionalism, containing five items, and HR business knowledge, containing three items. These factors have been named 'HR professional skills' and 'HR business knowledge'. Factor one comprises five items and achieved a Cronbach's Alpha of $\alpha=0.840$, and factor two comprises three items and achieved a Cronbach's Alpha of $\alpha=0.786$. The scores for business knowledge are negative, indicating the converse of the characteristic suggested by the items. This fits with the finding of literature and exploratory work, where generally a negative view of HR's knowledge of the business is expressed. It also fits to a certain extent with the idea that HR can be judged at different levels in the business – being judged at an individual or departmental level for their HR skills and at a corporate level in terms of their business skills. Hence, individuals may still believe HR are good people management practitioners whilst having a negative view of their business skills.

5.5.1.4 HR performance

There are a total of 27 items in the sub-scale of HR performance. Seventeen were developed from exploratory research and the literature. A four-item scale of well-being (Brunetto et al., 2011) and a six-item scale of work motivation (Kuvaas, 2008) have all been added, making 27 items in total. When taken as a composite scale of HR performance, the results give a Cronbach's Alpha of $\alpha=0.909$ on the 27 items. Five factors explain 69.96% of the variance. However, this model did not achieve good loadings for the items from the validated scales and as a result a further analysis was performed using only the items developed from exploratory research and the literature review and omitting the items from validated scales. These left 17 items to be submitted to EFA. This analysis finds that there are now two factors, which together explain 59.849% of the variance. The results are given in Table 5.7. The factor loadings are presented after items loading less than 0.500 have been eliminated, which left 11 items.

The factor analysis reveals that ten items load strongly onto factor one, which is concerned primarily with the effectiveness of HR. The sub-scale achieved a Cronbach's alpha of $\alpha=0.931$. A further factor loads strongly but negatively onto factor two, which is

concerned with the influence HR exerts in the organisation. However, as only one item loads onto this factor it has been eliminated. The scree plot reveals a sharp elbow after factor two, indicating a sharp decline in the amount of variance explained by each subsequent factor. The KMO is 0.928 and Bartlett's Test of Sphericity 12328.25, indicating suitability for factor analysis. This would appear to indicate that as well as validated scales of motivation, well-being and organisational citizenship, there is another factor of HR effectiveness which should be included in the HR performance sub-scale.

Table 5.7: Pattern matrix: HR performance (two-factor model)

Component	Factor	
	1	2
HR EFFECTIVENESS		
I am generally pleased with the service I get from individual HR professionals.	0.848	
I am satisfied with the work practices which determine my pay and performance.	0.719	
I believe my managers understand how to deliver their people management role effectively.	0.679	
HR is effective in recruiting the right people for the job.	0.769	
HR is effective in ensuring the right training and development is delivered.	0.728	
HR is effective at ensuring line managers manage employees well.	0.710	
HR is effective at ensuring the right people are in the right place at the right time.	0.776	
HR practices mostly achieve their intended outcome.	0.815	
HR ensures the organisation has the employee competencies and behaviour necessary to achieve business goals.	0.664	
People management issues are considered at the highest level.	0.538	
HR INFLUENCE/ADDED VALUE		
Senior HR managers are recognised as influential alongside other functional managers.		-0.902

Notes:

Extraction method: Maximum likelihood.

Rotation method: Oblimin with Kaiser normalisation.

10 iterations required.

Eliminated items:

HR knows the difference between delivering an efficient and good-value HR service and delivering an effective, value-adding HR service.

The senior team value HR and believe it enables the business to perform better.

HR successfully translates business strategy into departmental aims and objectives.

Individual employees can describe the HR strategy of the business.

The administration aspect of HR is valued by the organisation.

The knowledge of HR professionals is valued by the organisation.

However, this sub-scale presents a problem as some of the items reflect survey respondents' perceptions about how effective HR is at achieving the intended outcomes of practice and supporting the business and others, with respondents' individual satisfaction with the effectiveness of HR practice. As a result, the EFA was repeated, forcing the remaining items into two factors. The resulting analysis reveals that the items can be split between two factors, which between them explain 69.98% of the variance. The scree plot also reveals a sharp elbow after factor two, once again indicating that subsequent items or factors explain very little variance. Once again there is clearly a factor concerned with HR effectiveness and HR ability to support the business, with eight items loading strongly to this factor (>0.486). The analysis also identified another factor, which is more concerned with individual satisfaction with practice and practice outcomes, with two factors loading strongly (>0.668).

Table 5.8: HR performance: forced two-factor model

Component	Factor	
	1	2
HR EFFECTIVENESS		
I am generally pleased with the service I get from individual HR professionals.		0.837
HR is effective in recruiting the right people for the job.		0.973
HR is effective in ensuring the right training and development is delivered.		0.514
HR is effective at ensuring line managers manage employees well.		0.803
HR is effective at ensuring the right people are in the right place at the right time.		0.886
HR practices mostly achieve their intended outcome.		0.496
HR ensure the organisation has the employee competencies and behaviour necessary to achieve business goals.		0.748
People management issues are considered at the highest level.		0.487
INDIVIDUAL SATISFACTION WITH HR PRACTICES		
I am satisfied with the work practices which determine my pay and Performance.	0.668	
I believe my managers understand how to deliver their people management role effectively.	0.828	

Notes:

Extraction method: Maximum likelihood.

Rotation method: Oblimin with Kaiser normalisation.

10 iterations required.

The results of the exploratory factor analysis are given in Table 5.8. Even though two items in factor two load less than 0.500, it was decided to retain these items given their strong factor loadings in the initial EFA and the fact that they still load well within the acceptable parameters for item retention.

The final sub-scale of performance taken forward for further investigation will therefore comprise five factors: HR effectiveness, individual satisfaction with HR practice, motivation, well-being, and organisational citizenship.

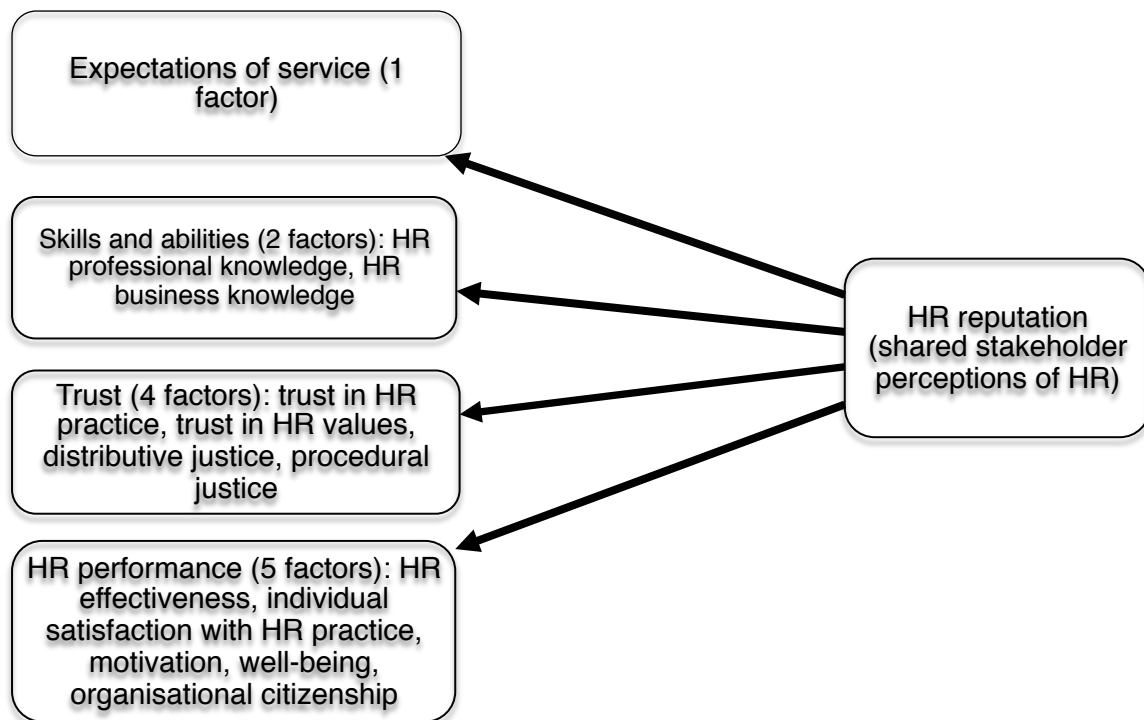
5.6 Administering the items and factors refined from the pilot survey into the final model for collection of the main data (step 6)

After the results of the exploratory factor analysis have been considered, the model for data collection includes four sub-scales. Sub-scale one, perceptions of HR service, contains only one factor. Sub-scale two, trust, contains four factors: procedural justice, distributive justice, trust in HR practice and HR's ability to operate within an ethical framework. Sub-scale three, skills, contains two factors: HR knowledge and skills, and HR business knowledge. Sub-scale four, HR performance, contains the validated items to measure well-being, motivation and organisational. However, two other factors can be added containing new items measuring HR effectiveness and individual satisfaction with HR practice. These considerations have been based on extensive analysis of the pilot data using exploratory factor analysis. Poorly fitting items and factors have been rejected in favour of the best fit to achieve sub-scales that indicate suitability for further factor analysis. As a result of this work the final model to inform the data collection for the main study is shown in Figure 5.1, the revised model of HR reputation.

Table 5.9: Final sub-scales following exploratory factor analysis

Sub-scale	Factors	Items loading	Cronbach's Alpha
Expectations of HR service	Expectations of HR service	8	$\alpha=0.91$
Trust	Trust in HR practice	9	$\alpha=0.70$
	Trust in HR values	2	$\alpha=0.89$
	Distributive justice	4	$\alpha=0.87$
	Procedural justice	7	$\alpha=0.84$
Skills	HR knowledge and skills	5	$\alpha=0.84$
	HR business knowledge	3	$\alpha=0.79$
HR performance	HR effectiveness	8	$\alpha=0.93$
	Individual satisfaction with HR practice	2	$\alpha=0.70$
	Motivation	6	$\alpha=0.87$
	Well-being	4	$\alpha=0.81$
	Organisational citizenship	8	$\alpha=0.84$

Figure 5.1: Revised model of HR reputation



The questions for the pilot survey were designed to reflect the three levels at which judgements and perceptions about HR reputation could be made: individual, department

and corporate. Accordingly the items were grouped in sub-sets according to these levels in each of the remaining four variables after literature review and exploratory work. The pilot work found little support from the exploratory factor analysis that variables reflecting the latent variable could be organised according to these levels. Sub-scale one, expectations of HR service, did not reflect these different levels of judgement and perception, and suggests there is only one level at which expectations are made of HR service, which is the service provided to individuals and managers. Sub-scale two, however, 'trust', did indicate there are potentially different levels at which judgements and perceptions of trust are made: trust in practice, equating to the department level; trust in HR values, equating to the corporate level; and trust in distributive justice and procedural justice, equating to the behaviour of individuals. Sub-scale three reflects not so much a differentiation between individual, departmental and corporate HR skills but between HR skill and business knowledge, which equates to HR practitioners having the skills to provide HR support to individuals and their managers and the business knowledge to provide HR support to the business. Finally sub-scale four, HR performance, reveals that both effectiveness and individual satisfaction with HR practice may be important outcomes that are influencing perceptions and judgements about HR. It suggests that how effective individuals believe HR to be in identifying and implementing relevant practices within the business context may be the most important outcome measure. It may also be desirable to measure HR effectiveness that can be associated with HR at the department level as well as in terms of individual outcomes of satisfaction with HR practice, well-being, motivation and behaviour in the form of organisational citizenship, which may be related to the individual or organisational level – if we assume that individual well-being, motivation and organisational citizenship equates with business performance, as many studies suggest (for example see Guest et al., 2003; Boxall and Purcell, 2003). One item concerned with HR influence, which could equate with added value from HR, did load strongly and negatively in the initial exploratory factor analysis. Unfortunately this was not supported by the loadings of any other items in this study. However, this may indicate that this is an area that may require further investigation.

5.6.1 Collecting main study data

The next step in the study was to collect data from a large sample to further validate the HR reputation scale and confirm its dimensions. This data would be subjected to confirmatory factor analysis (CFA). Whereas exploratory factor analysis is useful to

explore the potential underlying factor structure of a set of variables without a preconceived idea of that structure (Child, 1990), confirmatory factor analysis allows testing of the hypothesis that a relationship exists between observed variables and the latent variable (Brown, 2015). The results of this study would also be used to explore the hypotheses developed and discussed in Chapter 3. The data collected from this study was also re-analysed, splitting the data between the validated scales of motivation, well-being and organisational citizenship and HR reputation, with 200 responses measuring the validated scales and 268 responses being used to measure HR reputation. The purpose of this study was to further validate the scale and explore the relationships between HR reputation and the variables of motivation, well-being and organisational citizenship, as all three variables are suggested by the literature as potentially outcomes of HR as well as potential sources of information on which value judgements about HR are made.

5.6.2 Methodology

The final scale with its four sub-scales developed from the pilot work described above was used to collect data for the final study. The final questionnaire contained 68 items retained from the initial 91 after the pilot study. As with the pilot study, all questions asked respondents to rate their agreement with a statement using a five-point Likert scale (strongly agree=1, agree=2, neither agree nor disagree=3, disagree=4, strongly disagree=5). There were a further ten control items and an additional item asking a general question about HR added value – whether or not respondents believe HR adds value to the business and how they believe HR does add value or why they believe it does not. This item was added in response to the lack of data on perceptions of HR added value in the literature. The questionnaire (for a full list of questionnaire items, see Appendix 3) was distributed to a sample provided by Qualtrics comprising people employed in the UK in an organisation with an HR function. A total of 468 responses were collected. All questions demanded a forced response and as a result there was no missing data. The questionnaire was accompanied by a covering letter explaining the purpose of the survey and how the data would be used. Participants were informed their participation was voluntary and they would not be identified in the analysis or the subsequent write-up. They were informed the data would be held securely and used only for research purposes. Participants were screened out and prevented from completing the questionnaire if they did not answer yes to the question ‘Do you have an HR

function?’ or ‘Is your employment based in the UK?’ It was decided only to include UK-based employees as the HR function is often less well developed and less well defined in other countries.

Analysis of the data comprised first confirmatory factor analysis to further test the scale by verifying the factor loadings and examining for model fit. Whereas exploratory factor analysis was used in the pilot study to explore the number of factors required within each sub-scale, confirmatory factor analysis will now be used to confirm or reject these factors and produce the model with the best fit. The exploratory factor analysis (EFA) of the pilot data also defined the parameters for the model for confirmatory factor analysis and is reported in Section 5.3 of this chapter.

Confirmatory factor analysis (CFA) will be performed for each of the four sub-scales. In CFA, every aspect of the model is predetermined according to the theory of measurement developed from EFA (Brown, 2015). Essentially this will confirm if the survey items are accurately measuring the factor to which they have been ascribed by their loadings as a result of EFA. Hence we are interested in the estimated factor loadings and goodness of fit measures. Brown (2015: 96) advocates that ‘after substantive justification of the model is established, the acceptability of the fitted CFA solution should be evaluated on the basis of three major aspects: (1) overall goodness of fit; (2) the presence or absence of localised areas of strain in the solution (i.e., specific points of ill fit); and (3) the interpretability, size and statistical significance of the model’s parameter estimates.’ Each factor was further evaluated to provide a Cronbach’s Alpha score to further determine its suitability for summing into a total factor score.

After the HR reputation scale is confirmed by CFA, the data will be further analysed to explore the relationships between line management and the model of HR delivery with HR reputation and to test the hypotheses developed in Chapter 4 above. The data will then be further analysed to explore if specific control variables can explain variance in HR reputation – for example, between those who manage other people and those who do not, according to tenure, age or the extent to which people feel motivated or have a greater sense of well-being.

Finally the data was split as described above. The sample size was reduced to 268 responses, which were used to measure HR reputation and were re-analysed using

confirmatory factor analysis to establish if the results remain constant. The remaining 200 responses were used to measure motivation, well-being and organisational citizenship using the validated scales described in Section 5.1. The HR reputation sub-scales were then correlated against the validated scales.

5.7 Validating the items from the main study (step 7)

The following section describes the data collected from the main study (data set 1, n=268) and the results of confirmatory factor analysis. The confirmatory factor analysis allows both confirmation that the factors identified at the pilot stage from exploratory factor analysis are in fact the factors that contribute to the four sub-scales of HR reputation. It also allows for investigation of model fit to validate the scale.

5.7.1 Descriptive statistics

Means and standard deviations for all the control items are presented in Table 5.10. The frequencies can be found in Appendix 4. More than three-quarters (76.5%) of the sample were employed in full-time permanent positions. 57.7% were female as opposed to 43.2% male. 46.8% were employed in private sector service, 32.1% in public sector (7.1% in the NHS). 53.2% held an undergraduate or higher qualification and 65.8% had some line management responsibility for at least one other person. 35.7% have been employed by their present employer for between one and five years, with 28.8% being employed for more than ten years. 64.1% worked in organisations delivering HR by means of an in-house function delivered by professionally qualified staff and 15.4% used a combination of an in-house function and shared service centre. 11.5% worked in organisations where HR was delivered in-house by unqualified staff and 7.1% in organisations with an outsourced HR function.

Table 5.10: Control items: means and standard deviations

	Mean	Std. deviation
Employment status	1.35	0.827
Sector	2.77	1.330
Numbers employed	2.87	1.264
Gender	1.58	0.495
Level of education	3.34	1.315
Line management responsibility	1.34	0.475
Tenure	2.69	1.019

(n=268)

Overall the survey results provide strong evidence that employees do have a negative perception of HR and therefore the premise that HR suffers from a negative reputation would seem to be true. The mean scores for each of the factors identified from the exploratory factor analysis and depicted in Figure 5.2 above, the revised model of HR reputation, can be found in Appendix 5. In all the sub-scales the mean score result was lower than 3 (5=strongly agree, 4=agree, 3=neither disagree nor agree, 2=disagree, 1=strongly disagree, on a Likert scale of 1–5 responding to positively worded statements), indicating that more respondents are expressing dissatisfaction or a negative opinion of the HR profession.

Table 5.11: Descriptive statistics for each sub-scale factor

Factor	Mean	Median	Std. Dev.
Expectations of HR service	2.58	2.56	0.70
Trust: trust in HR practice	2.34	2.25	0.76
Trust: trust in HR values	2.44	2.50	0.81
Skills: HR professional knowledge	2.38	2.20	0.77
Skills: HR business knowledge	2.58	2.33	0.89
Performance: HR effectiveness	2.54	2.43	0.68
Performance: satisfaction with HR practice	2.60	2.56	0.67

The next stage of the research is to further confirm these factors using confirmatory factor analysis (CFA). CFA uses inferential methodology to determine whether or not the chance of a particular result or set of factors occurring by chance is so small as to rule it

out. Hence by submitting the factors identified by EFA to CFA we can better determine the likelihood that these factors and sub-scales do in fact reflect the latent variable of HR reputation.

5.7.2 Confirmatory factor analysis

The CFA is being reported according to Brown (2015). The revised model, which is being used to inform this analysis, is presented in Section 5.6 above. The advantage of CFA over EFA is that the model is specified in advance and is driven by theory and prior research. CFA tests a more parsimonious solution to the model by specifying the number of factors and pattern of factor loadings. Brown (2015) states that model fit in CFA is determined by how adequately the model is specified both in terms of measurement and structure. This supports the use of EFA before CFA is attempted.

Initially, CFA was performed for each of the four sub-scales in the model containing the number of factors indicated by EFA using the AMOS for SPSS software package. To assess model fit, five indices were used: the comparative fit index (CFI; Bentler, 1990), the root mean square error of approximation (RMSEA; Browne and Cudeck, 1993), the Tucker-Lewis index (TLI; Tucker and Lewis, 1973), the incremental fit index (IFI), and Chi Square/df ratio (χ^2/df) (normed Chi Square). The Chi Square/df ratio describes how the model differs from a perfect fit. Values less than 3 generally indicate a good model fit (Kline, 1998). Values of 0.90 and over (for TLI, CFI, and IFI) or 0.08 and under (for RMSEA) signify acceptable fit (Byrne, 2001). Using these five indices also ensures at least one index from each class of fit. These are absolute fit, fit adjusting for model parsimony, and comparative or incremental fit. Absolute fit assesses the model in absolute terms, not allowing for any restrictions, and Chi Square is an example of an absolute fit index. A parsimonious model achieves the desired level of evaluation with as few variables as possible; hence parsimony measures of fit include a penalty for models with more freely estimated parameters as expressed by *df*. According to Brown (2015), the more widely used measure of model parsimony is RMSEA (Steiger and Lind, 1980). Finally, comparative fit indices assess model fit in terms of comparison of the specified model with a base-line model where all the covariances among the input variables are fixed to zero. The most commonly used measure is the comparative fit index (CFI, Bentler, 1990). Using measures from all the classes of fit is important. Comparative fit measures often give a better score but need to be interpreted in the light of other fit

indices to ensure the model is being correctly interpreted.

The models for the four sub-scales were individually specified informed by the results of the EFA reported in Section 5.3 above. EFA has already identified the number of factors relevant to each sub-scale and identified ill-fitting items, which have been eliminated. All the models were initially run and then reviewed to consider if fit could be improved by removing ill-fitting items or adding further constraints.

5.7.2.1 Expectations of HR service

The expectations of HR service sub-scale comprised only one factor, with nine items loading onto that factor. Hence all the observed variables are assumed to link directly to the construct. There were nine endogenous observed variables in this sub-scale. This initial model showed poor fit. However, the modification indices for the CFA of the initial model showed a high covariance between e1 and e9, e1 and e5, and e5 and e9. Because all factors loaded reasonably strongly (> 0.41) in the first instance, the model was constrained to account for the covariance between the unobserved variables; the CFI for the default model indicated an adequate fit (.980). The Chi-Square test statistic (χ^2)=20.938 and additionally divided by degrees of freedom (χ^2/df)=2.95 (Normed Chi Square) and the RMSEA was acceptable at 0.065. Additionally the NFI was 0.970, the IFI 0.980 and TLI 0.970, all of which indicate a good fit. In addition the standardised residual covariances are all < 2.58 . The Cronbach's Alpha is good and above the 0.70 recommended by Nunnally and Bernstein (1994) ($\alpha=0.884$), indicating that the factor can be summed into a composite score of expectations of HR service.

However, all the items that showed a high level of covariance were also items that have previously been negatively worded and re-coded. They also were the most poorly loading items to the scale. Hence another CFA was run omitting these items (items e1, e5 and e9). This showed a path diagram where six items loaded strongly > 0.74 and where there was a small degree of covariance between e7 and e8, and e6 and e7. When this was accounted for, the model showed a high degree of model fit. The CFI for the default model indicated a good fit (0.998). The normed Chi Square (χ^2/df)=1.567 and the RMSEA was good at 0.035. Additionally the NFI was 0.994, the IFI 0.998 and TLI 0.995, all of which indicate a good fit. In addition, the standardised residual covariances are all < 2.58 . The Cronbach's Alpha is good and significantly above the 0.70 recommended by

Nunnally and Bernstein (1994) ($\alpha=0.916$), indicating that the factor can be summed into a composite score of expectations of HR service. As a result of these model fit statistics, it was apparent that the most reliable model to adopt for the sub-scale of expectations of HR service was the model containing six items and that all other items should be eliminated.

5.7.2.2 Trust

The sub-scale of trust contained four factors: trust in HR practice (F1); trust in HR's ability to act ethically (F2), distributive justice (F3) and procedural justice (F4). The initial model demonstrated poor loadings from item 3 in the distributive justice scale (F3) and items 1, 2, 5 and 6 in the procedural justice scale (F4). However, because these items related to validated scales, it was not appropriate to remove them. The modification indices revealed a strong covariance between e22 and e23, which are both on the same factor. When these were accounted for, the CFI was 0.905, indicating an adequate fit. The normed Chi Square (χ^2/df) was adequate at 4.017, and the RMSEA=0.080. Additionally, the IFI=0.905 and TLI=0.892, all of which indicate a poor fit.

All of the poorly loading items were contained in the validated scales of distributive justice and procedural justice. A further CFA was therefore performed removing these two factors, resulting in a two-factor model where all the factor loadings were good (>0.69). This model contained 12 endogenous variables. This gave better model fit with a CFI=0.958, TLI=0.948 and IFI=0.958. The normed Chi Square (χ^2/df) was acceptable at 4.050 and the RMSEA acceptable at 0.081. In addition the standardised residual covariances are all <2.58 .

A further CFA retaining the validated scales but eliminating the poorly loading items from within each of the validated scales of procedural justice and distributive justice was conducted. This resulted in a slightly better fit. This model achieved a CFI=0.942, a normed Chi Square (χ^2/df)=3.833, a RMSEA=0.078, IFI=0.942 and a TLI=0.931. The improvement in model fit was, however, limited and necessitated eliminating items from validated scales, which is not acceptable. Given the poorly loading items on factors two and three and the conceptual difficulties in constructing the sub-scale of trust (see Section 5.5.1.2 above), it was decided to eliminate the validated scales and use the two-factor model to measure trust, comprising 'trust in HR practices', containing eight items,

and 'trust in HR to behave ethically and fairly', containing four items. The Cronbach's Alpha for both factors is significantly above the 0.70 recommended by Nunnally and Bernstein (1994). Factor one is $\alpha=0.920$ and factor two is $\alpha=0.885$, indicating high internal consistency and suitability for summing the items into a factor score.

5.7.2.3 Skills

The skills sub-scale comprises two factors: HR professional skills (F1), which contained five items, and HR business skills (F2), containing three items. The initial CFA of the initial two-factor model gave an unacceptable normed Chi Square (χ^2/df) of 5.528. However, the modification indices indicate a strong covariance between items 1 and 2, and 4 and 5 on factor one. When this was accounted for, the normed Chi Square was (χ^2/df)=2.836. In addition the CFI=0.988, indicating good fit, and the RMSEA=0.063. The IFI=0.989 and the TLI=0.981. In addition the standardised residual covariances are all <2.58 (see Table 5.12 below) and all factors load strongly (>0.78). The Cronbach's Alpha for both factors is significantly above the 0.70 recommended by Nunnally and Bernstein (1994). Factor one is $\alpha=0.903$ and factor two is $\alpha=0.890$, indicating high internal consistency and suitability for summing the items into a factor score.

5.7.2.4 Performance

The performance sub-scale comprised five factors: HR effectiveness (F1), individual satisfaction with HR practice (F2), motivation (F3), well-being (F4) and organisational citizenship behaviour (F5). Initial confirmatory factor analysis revealed poor loadings for items 6 and 8 from factor one, item 1 from factor two, item 2 from factor four and item 8 from factor five. It also demonstrated a strong covariance between items 7 and 8 in the OCB scale (factor five). However, as factors 3, 4 and 5 were validated scales, it was not appropriate to remove them. When items 6 and 8 were removed from factor one and the covariance accounted for, the CFI=0.874, indicating a reasonable fit. The normed Chi Square (χ^2/df)=4.309, the RMSEA=0.084, the IFI=0.874 and the TLI=0.860. This model also indicated strong covariance between items 1 and 2 in the motivation factor.

This model still showed some difficulties with the loadings of the OCB scale, and this coupled with the theoretical difficulties of including OCB in the measure of HR performance discussed in Section 5.4 above suggested potential omission of this scale. When a further CFA was run omitting the OCB scale and accounting for the covariance

between items 1 and 2 in the motivation factor, the CFI=0.932, indicating a better fit. Furthermore, the normed Chi Square (χ^2/df)=3.944, the RMSEA=0.079, the IFI=0.932 and the TLI=0.920. This suggested that the performance sub-scale should comprise only three factors: HR effectiveness, motivation and well-being. However, in this model not all standardised residual covariances were <2.58.

A further model was run eliminating poorly loading items 1 and 2 from factor four, the scale of motivation. CFA found CFI=0.951, the normed Chi Square(χ^2/df)=3.477, the RMSEA=0.073, the IFI=0.951 and the TLI=0.941. Furthermore, now all standardised residual covariances were <2.58. The Cronbach's Alpha for all three factors are significantly above the 0.70 recommended by Nunnally and Bernstein (1994). Factor one is $\alpha=0.921$, factor two is $\alpha=0.795$, factor three is $\alpha=0.881$ and factor four is $\alpha=0.850$, indicating high reliability and suitability for summing into factor scores.

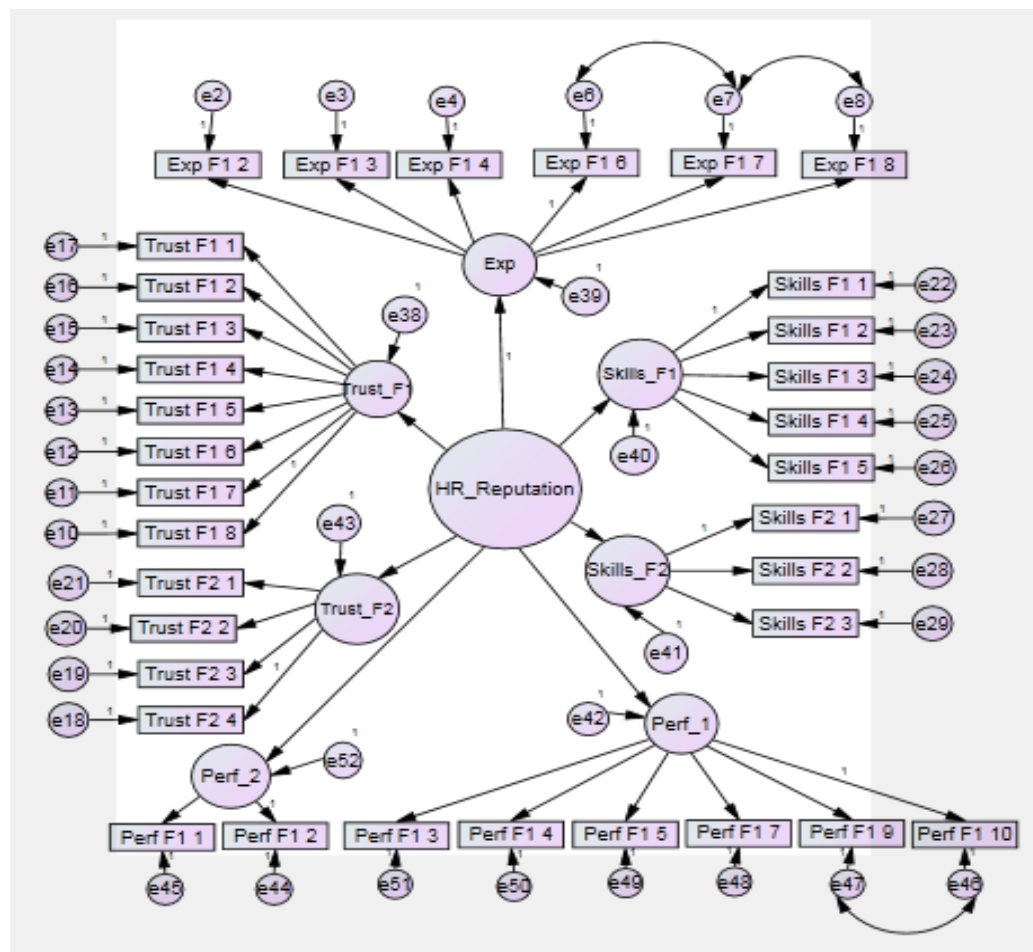
However, this was still not ideal given that the validated scales had to be modified to achieve a good model fit. Hence the analysis for this sub-scale was run again omitting all three of the validated scales and using only the two new identified factors of HR effectiveness (factor one) and individual satisfaction with HR practice (factor two). Again, the poorly loading items were removed and the model was constrained to reflect the high level of covariance between items e4 and e3. In this refined model the normed Chi Square (χ^2/df)=3.603, the CFI 0.980, the RMSEA=0.075, the IFI=0.980 and the TLI=0.968. Furthermore, now all standardised residual covariances were <2.58, all eight items in this factor load strongly (>0.71), and the Cronbach's Alpha for factor one is $\alpha=0.900$ and for factor two is $\alpha=0.795$.

As a result of this analysis, the best fit achieved for the sub-scale of performance is a two-factor scale comprising HR effectiveness and individual satisfaction with HR practice. This reflects the performance of HR at the organisational level, how effective HR are perceived to be at achieving an acceptable service to facilitate organisational objectives, and at the individual level, how successful individuals perceive HR practices to be. As a result the final model for HR reputation, which will be taken forward for validation, comprises seven factors: expectations of HR service, trust in HR practice, trust in HR values, HR professional knowledge, HR business knowledge, HR effectiveness, and individual satisfaction with HR practice.

5.7.2.5 Final model of HR reputation – HR reputation as second-order factor

The model specifications for all the individual sub-scales are shown in Figure 5.2. This figure also depicts the relationships between the sub-scales and the latent variable of HR reputation. Each of the sub-scales has been examined in turn to assess its acceptability and model fit and reported above, with the best-fitting model of the sub-scale adopted for the full model. Now the overall model will be assessed to examine the validity of the final scale as a measure of HR reputation. CFA found CFI=0.922, the normed Chi Square (χ^2/df)=2.955, the RMSEA=0.065, the IFI=0.923 and the TLI=0.916. Furthermore, now all standardised residual covariances were <2.58. This indicated a good level of fit for the overall model and indicated that this model would be suitable for further validity testing.

Figure 5.2: Model specifications for second-order factor model of HR reputation



The Cronbach's Alpha for this scale is $\alpha=0.934$, showing high internal reliability, and all the residual covariances are less than <0.27 . In addition, composite reliability (CR) is 0.84 for the scale and the average variance extracted (AVE) 0.72. According to Hair, Black, Babin, and Anderson (2010), to demonstrate an acceptable level of convergent validity, CR should be greater than 0.7 and AVE greater than 0.5 ($CR>0.7$, $AVE>0.5$). The CR is a measure of the overall reliability of the scale and, according to some authors, is more reliable than Cronbach's Alpha as a measure of construct validity as it's testing the validity of the construct rather than the individual items and is essentially assessing the internal consistency of the measure (Fornell and Larcker, 1981).

The final model fit statistics for all the four sub-scales of expectations of HR service, trust, skills and abilities, and performance is shown in Table 5.12 below. This table also includes the average variance extracted (AVE) and composite reliability (CR) statistics for each sub-scale as proposed by Fornell and Larcker (1981). These demonstrate the variables correlate better with their parent factor than variables outside the parent factor and hence help to establish discriminate and convergent validity. AVE is a strict measure of convergent validity and, according to Malhotra and Dash (2011), may be used as a sole measure to conclude that the convergent validity of the construct is adequate. This will be dealt with further in the next section.

Table 5.12: Model fit statistics for all sub-scales and the second-order model of HR reputation

Sub-scale	CFI	TLI	IFI	RMSEA	χ^2/df	AVE	CR	α
Expectations of HR service	0.998	0.995	0.998	0.035	1.57	0.79	0.95	0.916
Trust	0.942	0.931	0.942	0.078	3.83	0.86	0.78	0.902
Skills	0.988	0.981	0.989	0.063	2.84	0.82	0.97	0.896
Performance	0.980	0.968	0.980	0.075	3.60	0.76	0.95	0.847
Second-order factor model	0.922	0.916	0.923	0.065	3.60	0.72	0.84	0.934

Notes: cut-off criteria for goodness-of-fit indices: Chi Square/df (χ^2/df) <3 good; <5 sometimes permissible. CFI >0.9 , TFI >0.9 , RMSEA <0.05 good; 0.5–0.10 moderate; >0.10 bad (Hu and Bentler, 1999), IFI >0.9 (Byrne, 1989), CR >0.7 , AVE >0.5 (Hair et al., 2010), $\alpha>0.9$ =excellent, $0.9>\alpha>0.8$ =good, $0.8>\alpha>0.7$ =acceptable (DeVellis, 2011 Kline, 2000).

5.8 Validating the model

According to DeVellis (2011) there are three types of validity that are relevant to scale development: content validity, criterion validity and construct validity. Content validity is concerned with the adequacy of the sampling, and the extent to which the items are relevant to the domain of interest. This was dealt with in the preceding chapters detailing the interrogation of the literature and exploratory work that was used to determine measures of HR reputation and appropriate items. Criterion validity is concerned with the extent to which measures are related to outcomes or the extent to which it reliably describes the construct. The four sub-scales included in the model of HR reputation enable the different factors and sub-scales to be correlated to determine their relationships with each other (see Table 5.13 below). Criterion validity does not have to prove causality, merely an empirical association, and consists of concurrent validity and predictive validity. However, DeVellis (2011) points out that criterion validity is often referred to as predictive validity. Concurrent validity is measured by correlation between scales. Kline (2013) suggests that a correlation of 0.75 or more would provide good support for concurrent validity. DeVellis (2011) suggests that it is the strength of the relationship between the two events that is important in establishing criterion validity in scale development. Construct validity, like criterion validity, is concerned with the theoretical relationships of a variable to other variables (DeVellis, 2011) 39) and reviews whether the scale does in fact behave as the theory suggests. 'For a scale to be reliable the scores it yields must represent some true state of the variable being assessed.'

CFA is a useful tool for construct validation; the results of CFA can provide compelling evidence of the convergent and discriminant validity of theoretical constructs. (Brown, 2015: 2). Convergent validity is evidenced by the interrelatedness of different factors and discriminant validity is indicated by evidence that distinct constructs or factors are not highly interrelated. DeVellis (2011) observes that construct validity and criterion validity are easily confused because they both use correlation. 'The difference resides more in the investigator's intent than in the value obtained' (DeVellis, 2011: 214).

The correlations reported in Table 5.13 provide some support for concurrent validity. All the factors are significantly correlated, with the correlation between skills and expectations being the weakest and the correlation between performance and expectations the strongest. The two skills factors are highly correlated and demonstrate

good concurrent validity, as are the two trust factors. The performance sub-scale correlates strongly with all other factors (>0.70), which according to Kline (2013) demonstrates good concurrent validity. However, with the exception of the correlations between skills F1 and trust F2, all the other correlations are <0.70.

Table 5.13: Correlations for all factors in the HR reputation scale

	Expectations of HR service	Perf. F1	Perf. F2	Skills F1	Skills F2	Trust F1	Trust F2
Expectations	1	0.550**	0.561**	0.687**	0.608**	0.664**	0.698**
Perf. F1		1	0.705**	0.717**	0.699**	0.696**	0.712**
Perf. F2			1	0.640**	0.558**	0.790**	0.684**
Skills F1				1	0.767**	0.732**	0.759**
Skills F2					1	0.615**	0.705**
Trust F1						1	0.796**
Trust F2							1

** Correlation is significant at the 0.01 level (2-tailed).

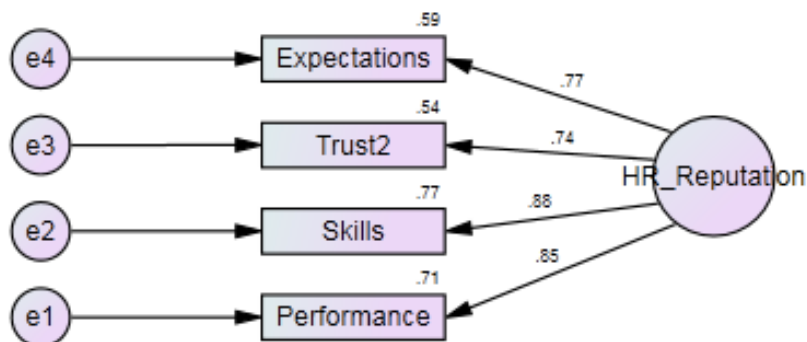
The intent to describe validity for this study is to demonstrate that the sub-scales – expectations of HR service, trust, skills and HR performance – do in fact relate to and are predictors of HR reputation. Because to date no scale of HR reputation exists, it is not possible to compare the behaviour of this scale with that of other similar scales. However, as this is a perception-based scale and the scales of distributive justice, procedural justice, well-being, motivation and OCB have been rejected from the overall model, the model will be reviewed against these scales. Data is available on all these scales from the study sample as described above and well-being motivation and OCB have been argued in the literature above (Chapter 2) as possible outcome measures of HR performance.

In addition, CFA will be used to attempt to demonstrate construct validity as reported by Voegtlin (2001). The scale was modelled using a composite score for all the factors in each sub-scale and the estimation was done using maximum likelihood.

Further CFA analysis was conducted specifying the HR reputation model using a summed score for each sub-scale using the factors identify as having the best fit as

detailed in the analysis above. This resulted in a model presenting HR reputation as a latent variable explained by the variables of expectations of HR service, trust, skills and HR performance, as suggested by the theoretical model. This model achieved good model fit for some statistics. Model fit statistics show CFI=0.985; TLI=0.956; IFI=0.985. However, RMSEA=0.126 and the normed Chi Square $\chi^2/df=8.396$. Hence both the RMSEA and the normed Chi Square suggest this model is not a reliable fit, although the CFI, TLI and IFI all support model fit. The Cronbach's Alpha for this scale is $\alpha=0.881$, showing high internal reliability, and all the residual covariances are less than <0.71 . In addition the composite reliability (CR) is 0.84 for the scale and the average variance extracted (AVE) 0.72, both of which would support model fit. The path diagram for the four-factor model is shown in Figure 5.3. This is the final model of HR reputation implied by the analysis above; on balance of the model fit statistics reported, it would appear that this model does display a reasonable level of fit and validity.

Figure 5.3: Path diagram for four-factor model of HR reputation



5.9 Optimising the scale (step 8)

To further establish construct validity, the model is now reviewed in relation to the potential outcome measures of well-being, motivation and OCB using the theoretical concept that perceptions of HR reputation are positively related to well-being, motivation and OCB. For the well-being scale, positive significant correlations were found between all factors on the scale, varying between 0.427 to 0.585 (all p's <0.1). For the motivation scale, significant positive correlations were found between all factors, varying between

0.451 and 0.641 (all p's <0.1). For motivation, significant positive correlations were between 0.358 and 0.516 (all p's <0.1).

Taken together these tests of criterion and construct validity provide a reasonable level of validity for the scale. Overall, the sub-scales and the theory that these sub-scales describe the latent variable of HR reputation have been empirically evaluated, pointing towards a reasonable level of validity in terms of their ability to describe HR reputation. This fits with the conceptual argument that each sub-scale is measuring a different perspective of HR reputation and therefore should be considered as a single measure of that perspective.

5.9.1 Further comparison of the HR reputation scale with validated scales

The next step to further validate the scale is to compare the HR reputation scale with the validated scales of motivation, well-being and organisational citizenship, which had been eliminated from the scale by the EFA and CFA. To achieve this the split data sets were again used, with 200 cases (data set 2) used to measure motivation, well-being and organisational citizenship using the validated scales contained in the main study survey questionnaire (see Section 5.1 above). The further 268 (data set 1, used to perform the CFA described above in Section 5.6) responses were used to measure HR reputation.

The confirmatory factor analysis (CFA) of the main data did not support the inclusion of the three validated scales of well-being, motivation or organisational citizenship in the final model of HR reputation. These were rejected from the final model to improve fit. However, the literature suggested that all of these factors are potential outcomes of HR and hence we might expect to see a degree of correlation between HR reputation and each of these variables, as is reported above in Section 5.7.

According to DeVellis (2011: 75), 'Construct validity is assessed indirectly and must be inferred from available indicators of the latent variable of interest.' If, as indicated by the literature, motivation, well-being and OCB are theoretically related to HR reputation, and we can show that measures of these constructs correlate with measures of HR reputation, this would be indicative of convergent validity. Ideally this process should be carried out using indicators of the same factor but using different methods. However, this

was not possible with the data available and only correlations between indicators of the same trait using the same methods can be reported.

Motivation, well-being and organisational citizenship were all concepts identified from the literature as potential outcomes of HR performance. These are all individual-level measures assessing the extent to which individuals feel motivated to perform at work, whether they have a sense of well-being and whether they are willing to put the interests of the organisation above their own self-interest. A number of studies (Guest et al., 2003; Purcell and Kinnie, 2007) indicate that HR practice is instrumental in bringing about these concepts. We would expect, therefore, to find that these concepts would correlate reasonably strongly with the components of HR reputation. According to Campbell and Fiske (1950: 82), these correlations should be 'significantly different from zero and sufficiently large'. However, Tang, Kacmar, and Busenitz (2012) also argue that these correlations should not be too large and this might potentially indicate construct redundancy.

Potentially the scale might also have been compared against scales measuring corporate reputation, such as Harris-Fombrun's reputation quotient. However, this scale has been designed to measure perceptions of companies externally, whereas this work is concerned to measure how HR is viewed internally – how people within the organisation perceived HR as it is delivered in that organisation. Such scales of corporate reputation are therefore not directly associated with HR reputation, whereas motivation, satisfaction and corporate citizenship are also indicators of direct experience of organisational levels of activity associated with HR.

When CFA was performed on the scales of motivation, well-being and OCB, good model fit statistics were achieved (see Table 5.14). This indicates that the validated scales are performing as expected with the data.

Table 5.14: Model fit statistics for motivation, well-being and OCB scales using split data (n=200)

Scale	CFI	TLI	IFI	RMSEA	χ^2/df	AVE	CR	α
Motivation	0.972	0.947	0.972	0.109	3.347	0.548	0.978	0.875
Well-being	0.997	0.982	0.997	0.074	3.565			0.846
Organisational citizenship behaviours	0.974	0.954	0.974	0.072	3.408			0.786

Notes: cut-off criteria for goodness-of-fit indices: Chi Square/df (X^2/df)<3 good; <5 sometimes permissible. CFI>0.9, TFI>0.9, RMSEA<0.05 good; 0.5–0.10 moderate; >0.10 bad; (Hu and Bentler, 1999), IFI>0.9 (Byrne, 1989), CR>0.7, AVE>0.5 (Hair et al., 2010), α >0.9=excellent, 0.9> α >0.8=good, 0.8> α >0.7=acceptable (DeVellis, 2011; Kline, 2000).

When the HR reputation scale was correlated with the validated scales of motivation, well-being and OCB, we found high levels of correlation between most of the factors, indicating that it is very likely that higher HR reputation is associated with higher levels of motivation, well-being and OCB. However, there were also some issues with these correlations as some were very large. For example, the correlation between motivation and performance was 0.913, potentially pointing to construct redundancy.

Table 5.15: Correlations between HR reputation scale and validated scales of motivation, well-being and OCB

	Motivation	Well-being	OCB	Skills	Performance	Trust	Expectations
Motivation	1	0.813**	0.592**	0.554**	0.913**	0.477**	0.427**
Well-being		1	0.594**	0.526**	0.851**	0.530**	0.448**
OCB			1	0.439**	0.621**	0.468**	0.469**
Skills				1	0.744**	0.615**	0.697**
Performance					1	0.657**	0.614**
Trust						1	0.571**
Expectations							1

Note: Correlation is significant at the 0.01 level (2-tailed).

According to Campbell and Fiske (1959 82), these correlations should be ‘significantly different from zero and sufficiently large’. However, Tang et al. (2012) also argue that these correlations should not be too large and this might potentially indicate construct redundancy. These correlations do show a large correlation between motivation and performance, motivation and well-being, and well-being and performance. However, in this instance a strong correlation between motivation and performance and motivation

and well-being is expected given the body of literature (reported in Chapter 3), which indicates a strong relationship between employee outcomes of management practice and performance. Furthermore, a strong correlation would also be expected between motivation and well-being as once again the literature indicates that both are potential outcomes of management practice and relate to the same construct.

5.10 Summary

This chapter has covered the development of the HR reputation scale. Exploratory factor analysis (EFA) established the factors and the four sub-scales which together measure HR reputation. Confirmatory factor analysis confirmed these and provided evidence for good model fit, indicating a reasonable level of validity for the scale. Finally, by splitting the data from the main study and comparing how the HR reputation scale performed on 268 responses against the performance of the validated scales of motivation, well-being and organisation citizenship on the remaining 200 responses, further validity was established.

The literature suggests that motivation, well-being and organisational citizenship are outcomes of HR activity and therefore theoretically related to HR performance. By comparing their performance using two different data sets drawn from the same population, it is evident that the HR reputation scale behaves similarly to that of the validated scales, adding further evidence of construct validity.

The overall purpose of this part of the study was to test the theoretical model that HR reputation is a latent variable that could be measured by the sub-scales of expectations of HR service, trust, skills and HR performance. Exploratory factor analysis found that there is a set of factors or a factor within each of these sub-scales that can potentially provide a measurement on that sub-scale. Further confirmatory factor analysis of the main data found a reasonably good model fit for each of these models, indicating that measurement of HR reputation using these variables is feasible. Furthermore, strong correlations were found between each of the factors contributing to HR reputation and a good model fit was achieved from a confirmatory factor analysis of the summed sub-scales and HR reputation. Further validation of the scale with validated measures of motivation, well-being and organisational citizenship also produced strong correlations, suggesting that the scale of HR reputation behaves similarly to other validated scales. All

of this suggests that the scale does provide a measure of HR reputation and supports Hypotheses 1.1 to 1.4 that expectations of HR service, trust, skills and HR performance are measures of the latent variable HR reputation, as the theory suggests. However, there are some limitations for the model, which will be discussed in the next chapter.

The final units of measurement for each sub-scale are all perception-based, as suggested by the literature. Expectation of HR service is measured by how well expectations are perceived to have been met, trust by perception of the fairness of HR practice and HR's ability to act ethically, skills by perception of HR professionals, and business skills and HR performance by perceptions of the effectiveness of HR practices to achieve their intended outcomes.

6. Further findings from data

This chapter presents further findings from the data collected for scale development. First it uses the results of regression and correlation to test the hypotheses put forward in Chapter 4. These hypotheses attempt to identify variables that might explain variance in HR reputation. Among them is the delivery model for HR. The issue of content was omitted from the model explored in the quantitative work and hence the scale as it proved to be too complex to identify measurement criteria. However, both the literature review and the qualitative study revealed issues that suggested that context may impact on perceptions and judgement made about HR professionals and the services they deliver. One of the contextual issues that could be investigated was how HR is delivered: through in-house or outsourced HR functions staffed by qualified or unqualified HR practitioners. The reasons for this decision and the hypotheses developed regarding HR reputation were developed and discussed in more detail in Chapter 4 above. In this chapter the data generated from the final scale of HR reputation has been used to test these hypotheses. Data set one from the main study has been used for regression and correlation (n=268).

Regression has also been performed, both on the four sub-scales of HR reputation and on the aggregate measure combining all four sub-scales. Throughout this analysis the four sub-scales of HR reputation – expectations of HR service, trust, skills and abilities, and HR performance – have been used to describe HR reputation. The model of HR reputation suggests that these sub-scales reflect different facets of HR reputation and therefore it has been considered relevant to investigate the relationship between each of the four sub-scales and the control variables to consider if there is variable impact across the different elements of HR reputation. Furthermore, the literature and theory suggest that HR reputation is multifaceted and will need to be measured on more than one dimension, which also supports the use of the four sub-scales rather than a composite measure of HR reputation.

The survey data was further analysed to provide descriptive statistics for all the variables, including the control variables of organisation size, sector, the education level and gender of the respondent, as well as the control variables to be used to test the hypotheses: line management responsibility, the use of shared service centres to deliver HR, and perceptions of HR added value. (A full set of descriptive statistics for the main survey data is available in Appendix 4.) The factors within each of the four sub-scales

were combined by summing and dividing by the number of factors to provide an overall aggregate variable. The control variables were analysed against each of these factors as well as the summed or aggregate variable for the sub-scale as a whole to provide descriptive statistics.

6.1 Descriptive statistics for control variables

The control variables used for this analysis are: organisation size measured by number of employees; highest educational qualification, scaled from no qualifications to postgraduate level; tenure measured by years of service with the current employer. Gender, whether or not the respondent had line management responsibility, and the model of HR delivery were treated as categorical variables. Perceptions of added value were measured by asking respondents if they agreed that HR definitely or probably added value or definitely or probably did not add value.

As a result of the methods of data collection, all the control variables are reported as ordinal data where the variables have ordered categories. However, size of organisation measured by number of employees, tenure measured by number of years employed with current employer, educational level measured by highest educational attainment, and perceptions of HR added value measured by the extent to which respondents believe HR adds value are reported as scales. Gender, HR delivery model (either wholly in-house, wholly outsourced, delivered by qualified or unqualified staff, or partly outsourced) and line management responsibility are reported as categorical data. Stevens (1996) argued that means and standard deviations are not appropriate for ordinal data and that positional measures such as the median are more useful. However, this does limit the range of statistical techniques that can be used, and when the variables have been scaled, means have been reported in addition to the median.

First, six of the seven control variables that were considered to be potentially capable of explaining the variance in HR reputation were correlated with both each other and the four sub-scales of HR reputation. These correlations are described in Table 6.1. The HR delivery model variable cannot be scaled into a continuous variable and is therefore excluded from the correlation.

Table 6.1: Correlations between all control variables and the sub-scales of expectations, trust, skills and HR performance

	Mean	S.D.	Median	1	2	3	4	5	6	7	8	9	10
1. Size	2.87	1.26	3	1	-0.01	0.08	-0.06	-0.02	0.09	-0.15**	0.15**	0.12**	0.14**
2 Tenure	2.69	1.02	3		1	-0.12**	-0.10*	0.13**	-0.05	-0.06	-0.05	-0.08	-0.16*
3. Education level	3.34	1.32	4			1	0.01	0.17**	-0.05	0.08	0.04	0.04	0.07
4. Gender	0.58	0.59					1	-0.18**	-0.00	-0.06	0.05	-0.07	-0.09
5. Line management responsibility	0.66	0.47						1	-0.15**	-0.13**	0.16**	-0.17**	-0.16**
6. Perceptions of HR added value	1.79	0.73	2						1	0.61**	0.54**	0.54**	0.65**
7. Skills	2.58	0.70								1	0.73**	0.79**	0.69**
8. HR performance	3.68	1.15									1	0.82**	0.60**
9. Trust	5.96	1.66										1	0.72**
10. Expectations	3.22	1.22											1

Notes: n=268, *p<0.01, **p<0.05.

Several points are worth noting from this correlation. First, there are significant positive correlations between organisational size and HR skills, trust in HR, expectations of HR service and HR effectiveness, which seems to suggest that people who work in larger organisations also have more positive views of HR in all four areas. Second, line management responsibility is negatively and significantly correlated with HR added value, HR skills, trust in HR and HR effectiveness, indicating that those with additional line management responsibilities may also have a more negative view of HR in these areas. Tenure is also negatively associated with each sub-scale, indicating that longer-serving employees tend to also have more negative perceptions of HR. However, this association is only significant in terms of the sub-scale of expectations of HR service. In addition, perceptions of HR added value are significantly and positively correlated with all the four sub-scales, indicating that a positive view of HR is associated with the perception that HR adds value.

It would appear that tenure is negatively correlated with education and gender, meaning that both people of lower educational attainment and women are less likely to remain long term in the same employment. This is also associated with line management, indicating that those with shorter tenure are less likely to have line management

responsibilities, whereas those with higher educational attainment are more likely to have line management responsibilities.

The results also demonstrate that there is low correlation between the control variables of size, sector, education level, gender, line management responsibility, HR added value and HR delivery model, indicating that multi-collinearity is not likely to be a problem. Multi-collinearity describes a phenomenon whereby one or more predictor variable, because it is highly correlated with other predictor variables, may be linearly predicted from those other variables. This may mean that small changes in data could produce wider swing in parameter estimates (Belsey, Kuh, and Welsch, 1980; Green and Silverman, 1993). As a result multi-collinearity issues were also reviewed during the OLS regressions.

Multi-collinearity can potentially reduce the amount of effective information available to assess the effects of a predictor. These reveal that tolerance level was HR more than 0.1 for all variables, with the lowest tolerance level >0.925 and the highest >0.988 . The variance inflation factor (VIF) was also <2 for all variables, with the highest VIF <1.8 and the lowest <1.2 . These indicated there were no serious multi-collinearity issues. The research recommends a minimum level of tolerance of 0.20 (for example Menard, 1995). Various views persist on the acceptable levels of VIF, ranging from 10 (for example Hair, Anderson, Tatham, and Black, 1995) to 4 (for example Pan and Jackson, 2008).

6.2 Further sub-scale analysis

Whereas the correlations established potential associations between the main variables, correlation alone is of limited use in attempting to explain the nature of these relationships. As a result an OLS regression was performed for each sub-scale to attempt to discover whether the variables of line management responsibility, the HR model or perceptions of HR added value could explain the variance in each of the sub-scales of HR reputation. In this model all the seven variables considered to have the potential to explain differences in HR reputation were included, with the HR delivery model being coded into dummy variables using HR delivered in-house by professionally qualified staff as the base variable.

Table 6.2: Multiple OLS regression results for expectations of HR service, trust, skills and HR performance

Model	DV: Expectations of HR service	DV: Trust	DV: Skills	DV: HR performance	DV: Aggregate scale of HR reputation
(Intercept)	1.437** (.133)	1.271** (.150)	1.140** (.160)	1.566** (.149)	1.353** (.120)
Size	.042 (.019)	.032 (.022)	.051 (.023)	.044 (.022)	.042 (.017)
Education level	.064 (.018)	.050 (.021)	.073* (.022)	.043 (.021)	.058* (.017)
Gender	-.166* (.048)	-.152* (.054)	-.125 (.058)	-.100 (.054)	-.136* (.043)
Tenure	-.040 (.023)	-.018 (.026)	-.004 (.028)	-.004 (.026)	-.015 (.021)
Line management responsibility	-.153* (.052)	-.195* (.059)	-.159 (.063)	-.186* (.058)	-.173** (.047)
HR delivery model in-house non-HR professional	.166 (.077)	.014 (.087)	.026 (.093)	-0.49 (.087)	.039 (.070)
HR delivery model (outsourced)	.247 (.093)	.007 (.104)	.028 (.111)	-.012 (.104)	.066 (.084)
HR delivery model (partly outsourced)	.095 (.066)	.031 (.074)	.024 (.080)	.014 (.074)	0.41 (.060)
Perceptions of HR added value	.599** (.033)	.631** (.037)	.633** (.040)	.495** (.037)	.590** (.030)
R ²	.492	.439	.411	.492	.521
Adjusted R ²	.481	.428	.400	.481	.511
F	48.555	39.267	35.088	48.555	54.540
P-value	0.000	0.000	0.000	0.000	0.000
N	268	268	268	268	268

Notes: Regression coefficients are reported and their standard error in brackets. **p>0.001, *p>0.005. DV=dependent variable. Gender, line management responsibility, HR delivery model outsourced and HR delivery model partly outsourced are coded as dummy variables.

Table 6.2 presents the findings of OLS regression using eight control variables. Dummy variables were produced for the categorical data: gender using male as the reference category, line management responsibility using no responsibility as the reference category, and the HR delivery model using an in-house HR function staffed by qualified HR professionals as the reference category. This latter variable produced three dummy variables: in-house function delivered by unqualified staff, a wholly outsourced HR function, and a partly outsourced HR function.

The OLS regression found that both line management responsibility and perceptions of HR added value may predict variations in HR reputation. However, the result for line management responsibility was not significant on the skills scale. The results for the aggregate scale are comparable with those for the individual sub-scales. However, the F value is somewhat larger for the aggregate scale, increasing the probability that the null hypothesis (that all the regression coefficients are zero) is true for the aggregate model. In addition, overall that aggregate data has a higher R square ($R^2=0.493$), indicating that the aggregate model potentially explains more of the variance than each of the sub-scales.

6.3 Hypotheses testing

The hypotheses were developed to identify potential factors that might explain differences in HR reputation. These are presented in full in Chapter 4 with their justification based on a review of the literature to identify relevant themes and the findings of the qualitative work. These hypotheses have revisited some of the areas, which the literature suggested might be factors determining HR reputation but were removed from the HR reputation model because of lack of support in the qualitative work or lack of evidence that reliable measures could be found for them. Hence hypotheses development is better placed in Chapter 4 where these two issues are discussed. However they are revisited here as follows:

Hypothesis 1: Line management responsibility will be negatively related to HR reputation.

This reflects the different views the literature suggests line managers, as opposed to other employees, will have of HR (Piening et al., 2014; Purcell and Hutchinson, 2007; Tsui, 1990; Wright et al., 2001). It also reflects line managers increasing responsibility for delivering people management practice and the challenges this may present for them (Conway and Monks, 2010; Kulik and Perry, 2008; Holt et al., 2003; McConville, 2006, Renwick, 2003)

Hypothesis 2: The use of outsourced HR services to deliver HR will be negatively related to HR reputation.

This hypothesis reflects the evidence from both literature (Bondarouk and Ruël, 2009; Farndale et al.; Marchington and Wilkinson, 2012; Parry and Tyson, 2011) and the

qualitative work that use of shared service centres potentially impacts opinions of HR services and HR functions.

Hypothesis 3: Perceptions of HR added value will be positively related to HR reputation.

This hypotheses reflects the literature, which suggests HR functions add value in a number of dimensions (Buyens and de Vos, 2001) and that end user satisfaction is a predictor of reputation (Boselie and Paauwe, 2005). It also reflects that HR function performance on one dimension may influence perceptions of HR on other dimensions, therefore the extent to which HR functions are perceived to add value either through effective delivery of services or strategic decision making ought to be closely related to HR reputation.

The null hypothesis for each is that the defined variable has no measurable impact on HR reputation. Therefore, to accept the hypothesis there has to be a significant result from the regression as well as an observable correlation.

In terms of Hypothesis 1, *Line management responsibility will be negatively associated with HR reputation*, there is a negative relationship evident from both the correlation and the regression. In the regression this is significant for the aggregate scale and three of the sub-scales, skills being the exception. Therefore, this hypothesis can be accepted with some reservations in terms of skills. This finding is supported by the literature with studies such as those by Tsui (1990) and Wright et al. (2001), also suggesting that line managers view HR less favourably than other employees. However, most of those studies focused on line management perceptions of the support and service they received from HR rather than their level of knowledge and skill. The qualitative work also confirmed a relatively low opinion of HR service but an acknowledgement that HR possessed a body of knowledge and skill that line managers need to access.

In terms of Hypothesis 2, *the use of outsourced HR services to deliver HR will be negatively related to HR reputation*, the results are inconclusive. This variable was not included in the correlation and there are no significant results produced from the regression. Therefore this hypothesis must be rejected. Again, the rationale for this hypothesis is set out in Chapter 4. As yet there are no studies that demonstrate a particular delivery model such as the Ulrich model or an outsourced model is associated with either positive or negative perceptions of HR. However, empirical evidence suggests

that many HR departments have been redesigned in an effort to improve their effectiveness and strategic contribution (Marchington and Wilkinson, 2012).

Finally in terms of Hypothesis 3, *Perceptions of HR added value will be positively related to HR reputation*, the results of both the correlations and the regression confirm that there is a positive and significant relationship between perceptions that HR adds value and all the sub-scales that together make up HR reputation. So if individuals believe HR adds value, they also believe they are trustworthy, highly skilled, provide an effective HR service and meet expectations. This is therefore the only hypothesis that can be fully accepted. However, there are some reservations. Further analysis of the question ‘How does HR add value to the organisation?’ (Table 6.3) reveals that 86% of the respondents answered positively to this question – that they either definitely (37%) or probably (49%) thought that HR added value. When probed about how they believed HR adds value, however, answers varied, with the majority believing that HR adds value through providing cost-effective administrative services and standardised policies and practices, rather than by contributing effectively to organisational strategy of business objectives. The literature suggested that this transactional element is often valued for its effectiveness or lack of error (Buyens and De Vos, 2001; Lepak et al., 2005) rather than for its outcomes. Hence, those who believe HR adds value may only perceive this to be in terms of cost-effectiveness or good-quality administrative support as opposed to a strategic contribution.

Table 6.3: How does HR add value to the organisation?

How does HR add value to the organisation?	
By ensuring workers are well managed	53.6%
By ensuring there are standardised procedures to recruit, manage and train people	56.8%
By ensuring all the administration aspects of people management, such as payroll and record-keeping, are done as efficiently and cost-effectively as possible	50.9%
By contributing to the development of the organisation’s strategy	26.1%
By contributing to the achievement of business objectives	35.3%

6.4 Summary

This section has looked at the scale in action and used the scale to first test the three hypotheses derived from the literature and theory and second to ascertain whether the popular headlines that suggest that generally employees hold negative opinions of HR

have any basis in truth. In terms of Hypothesis 1 (*Line management responsibility will be negatively associated with HR reputation*) and Hypothesis 3 (*Perceptions of HR added value will be positively related to HR reputation*), both can be accepted. However, the results for the relationships between outsourced HR and HR reputation are inconclusive and therefore Hypothesis 2 has to be rejected.

The results for Hypothesis 1 are significant not only in that they support the findings of prior studies (for example, De Winne et al., 2013 Kuvaas et al., 2014), but also that they imply those who work closest with HR have a lower opinion of the function on all four dimensions. This is likely to have implications for the ability of HR to persuade line managers to implement HR policies and practices effectively and consistently.

The above analysis and results demonstrate that it is possible to have a degree of confidence that the proposed scale of HR reputation is indeed measuring the elements of HR reputation. Referring back to Section 5.6.1, where the descriptive statistics for each factor were discussed, this would seem to support the statistics that indicate that HR does in fact have a negative reputation in that respondents are more likely to disagree at least to some extent that HR provides good service, is a skilled profession, is trustworthy and performs well. This supports the view that further study to identify the cases of variation in this view would be worthwhile.

The next chapter considers some of the issues raised here in more detail and discusses their practical and research applications.

7. Discussion and conclusions

This research attempts to address the issue of HR reputation, what it is, whether HR, defined as all the activities and services delivered within an organisational setting designed to manage people at work, suffers from a bad reputation and whether certain factors influence a positive or negative reputation for the HR function. As in previous chapters HR practitioners will be defined as individuals within an HR function, the HR function as the department with overall responsibility for HR activities and policies. The general aims of the work were set out in section 1.4 and are reviewed in table 7.1 below.

The work includes on a preliminary qualitative study to investigate the nature of HR reputation, what it is, how it is formed and the factors, which can be used to measure it. This was then followed with quantitative scale development to produce a validated model of HR reputation which can be taken forward and used in a number of scenarios and contexts for both practical and research purposes.

The primary aim was to provide a scale of measurement for HR reputation. However, before this could be achieved a number of factors needed to be addressed, namely the elements of the construct or components of HR reputation, the process dynamics that drive shared judgement and perceptions of HR, and the theoretical underpinning for a measurement framework for HR reputation. Only once a measure was established could the work go onto to explore whether in fact HR does suffer from a bad reputation and investigate the factors, which might explain the causes of, or differences in HR reputation

An attempt has been made to address each of these aims in the research, which is reported in the chapters above. The work has been able to draw a number of conclusions, each of which will be discussed in greater depth below. These are, first, that it is possible to describe HR reputation in terms of four sub-scales: expectations of HR service, trust in HR, skills and abilities of HR, and HR performance. Second, HR reputation is multifaceted and informed by more than one existing theory, including stakeholder theory and legitimacy theory. And third, HR reputation may vary between context and according to the power and influence of stakeholder groups.

Table 7.1 sets out the main aims and objectives of the research and summarises the methodologies used to investigate and attempt to address each with a summary of the outcomes. Each set of outcomes will then be discussed in turn in terms of the

conclusions that can be drawn and how this might contribute to knowledge of the different factors, which combine to explain HR reputation. Finally, this chapter will summarise the overall contribution this work makes to the body of knowledge, the implications for theory, limitations of the work, and directions for further research.

Table 7.1: Research aims and objectives

Aim	Methodology	Outcome
To identify the components of HR reputation	Literature search and exploratory qualitative research to identify initial factors. Pilot study and exploratory factor analysis to confirm and identify factors.	Identification of four sub-scales: expectations of HR service, skills and abilities, trust, and HR performance. HR performance was further differentiated into three sections: well-being, effectiveness and added value. There were indications that in each sub-scale, perceptions of HR reputation could differ at the individual, the function and the corporate level.
To develop a scale of measurement for HR reputation	Large-scale survey of UK employees analysed using confirmatory factor analysis to identify final measurement scales.	A scale of HR reputation comprising four sub-scales with a total of seven factors, which achieved a good level of model fit (see Figure 7.1 below) and overall a reasonable level of validity for the scale (see Section 5.8).
To determine whether in fact HR does suffer from a 'bad' reputation	Literature search and analysis of main study data.	Descriptive statistics for each of the HR reputation sub-scales indicate a mean score for each sub-scale between 2.48 and 2.58, with expectations of HR service achieving the highest score and trust the lowest. This indicates at best low levels of positive perception of HR.
To identify the variables which may explain differences in HR reputation	OLS regression	Three variables were identified as potentially explaining differences in HR reputation – line management, HR delivery model, and perceptions of HR added value – and hypotheses were developed for each. However, support was only found for perceptions of added value as a predictor of HR reputation (see Section 5.7).

7.1 The HR reputation sub-scales

Within each of the four sub-scales an attempt has been made to understand what it is that drives the judgements of HR and whether these are made at the individual, the functional or the corporate level. The research concludes that HR reputation cannot always be viewed within each sub-scale in terms of how perceptions are formed at each of these levels. Within the sub-scale of expectations of HR service, individuals seem primarily concerned with the individual service they received from HR. This is in line with the literature (for example, De Winne et al., 2013 Purcell et al., 2009; Wright et al., 1998). However, within the trust sub-scale they are both concerned with how much they can trust HR practitioners to act fairly with regard to them personally, and how far they can trust them to develop HR values that may impact on the behaviour of the employing entity. In both the literature (Kochan, 2004; Petersen, 2004) and the exploratory work there was evidence of a key question as to whose interests HR functions represent: employees or business? This appears to be reflected in the two factors relating to trust which have been identified and that employees are both concerned with how HR impacts on them personally but also how far they can trust HR practitioners to uphold principles of fairness in business activities. This suggests that if HR practitioners can improve trust in both their own abilities and the business, it might enhance their role and the perceptions of their performance. This echoes the findings of Farndale et al. (2011) who suggest that if HR can be designed to improve trust in the organisation, there might be positive performance improvements.

This was further evidenced within the skills and abilities sub-scale, where there was a differentiation between HR skills to support individuals and business skills to support the business. Also in the performance sub-scale a differentiation can be observed between effective HR for the business and individual satisfaction with HR practices. This would seem to suggest that there are factors driving the perceptions individuals develop about how HR relates to them personally and how it relates to the business and business success. However, there were no indications that individuals' perceptions differentiated between HR as a function and HR as a component of the business entity with a role in managing and maintaining that corporate entity. This may have been because individuals could not disassociate the HR function from the corporate entity, seeing HR as the representatives of management or of the employer. For example, Reilly and Williams

(2006) found that by positioning themselves more closely with the management team, HR tended to distance themselves further from employees.

7.1.1 Identifying the components of HR reputation

The study has identified the four sub-scales of expectations of HR service, trust in HR, HR skills and HR performance as together contributing to the latent variable of HR reputation. These factors were originally identified from the literature and Chapter 2 provided initial support for the investigation of five potential indicators of HR reputation: perceptions of HR service, positioning and leadership of the HR function, context in which HR is delivered, skills and abilities of HR professionals, and trust in HR. An exploratory study (see Chapter 3) found further support for three of these factors: perceptions of HR service, trust in HR, and HR skills. However, it also identified that perceptions of HR performance contributing at the individual levels in the form of motivation and well-being, at the corporate level in terms of organisational citizenship behaviour, and at the departmental level in terms of effectiveness might be important. This work further suggested HR reputation is diverse and complex and that perceptions and judgements can be made at different levels of the organisation and may be shaped by context. This supported the views put forward by Tsui (1990), Tsui and Gomez-Mejia (1988), and Tsui and Milkovich (1987), suggesting a multiple constituency framework identifying multiple stakeholders who will have different interests and different levels of influence.

The study argues that HR reputation is perception based and draws on the work of Hannon and Milkovich (1996), Fombrun (1996) and Fearnley (1993) to define HR reputation. All of these researchers describe HR reputation in terms of perceptions held by individuals of their shared experiences. This work provides considerable support for the theory that HR reputation is constructed by shared judgements and perceptions among HR stakeholders relevant to these four factors described above.

The exploratory quantitative work was designed to test the factors identified by the literature and to explore whether there were any other factors that could be identified as contributing to HR reputation. The interview schedule for this work was informed by the results of the literature review and to determine if perceptions were formed about HR in terms of how it impacts on the individual, the performance of the function in supporting individuals and managers, and its position at the corporate level of the organisation. This

work collected the views of HR and other managers and found a degree of agreement among them as to what contributed to HR reputation, which broadly confirmed the findings of the literature review. They confirmed that expectation of HR service, trust, and skills and abilities might be important factors contributing to the development of perceptions about HR reputation. However, they found it more difficult to agree on how HR's performance should be valued. It appeared that there might be an element of choice in how organisations choose to value the services of HR – either through cost-effectiveness, HR's impact on other measures such as motivation, well-being or organisational citizenship, or its added value. Analysis of this data and the literature resulted in the model of HR reputation and a conceptual framework (see Chapter 4), which was used to inform the data collection for the main study. One important aspect of this qualitative exploratory work is that as well as contributing to a model of HR reputation for further testing, it generated a number of items for the data collection.

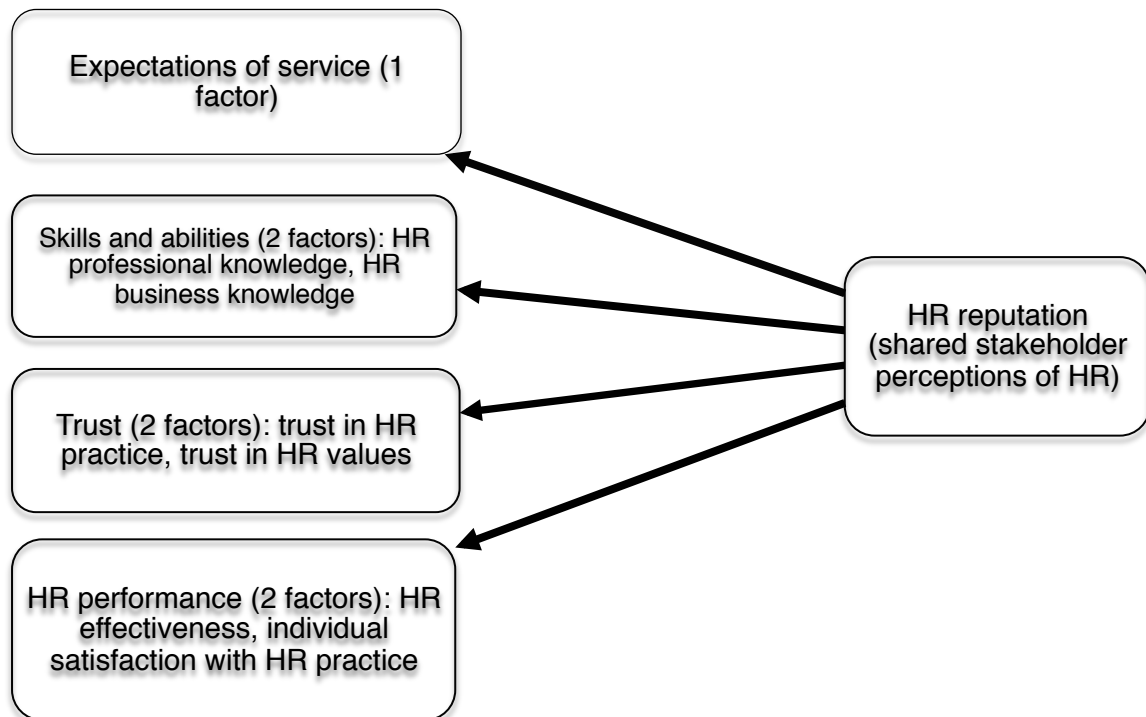
The model put forward at the end of Chapter 4 suggested that HR reputation is comprised of four components or sub-scales, expectations of service, skills and abilities, trust and HR performance. The issues of context, leadership and positioning having been identified in the literature but rejected after analysis of the qualitative data which did not support these issues or clarify how they might be measured. For a fuller discussion of the components dropped and the rationale for the inclusion of the additional component of HR performance after analysis of the qualitative exploratory data, please see Chapter 3 pages, section 3.7.

Further testing of the model using exploratory factor analysis on the pilot data confirmed the four sub-scales of HR reputation and identified the relevant factors within each sub-scale, which included the validated scale of distributive justice and procedural justice in the trust scale, and motivation, well-being and organisational citizenship in the performance scale. However, this work found little evidence to support the theory that perceptions of HR are formed at different levels – individual, function and corporate – and indicated that it is only the individual level (how HR directly impacts on the individual) and the corporate (how HR impacts on the business) that appear to be relevant. This would seem to suggest that individuals view the HR function as aligned with the business and as a conduit that translates business intentions into HR practice that directly affects them. This would fit with the theories put forward in the HRM literature that HR has a role in

aligning individual effort with business strategy (for example see Boxall and Purcell, 2003; Macky and Boxall, 2007; Storey, 2007).

Further analysis of the main data once again confirmed the four sub-scales as measures of the latent variable of HR reputation. However, here the results indicated that the validated scales of distributive justice, procedural justice, motivation, well-being and organisational citizenship needed to be removed from the relevant sub-scales to achieve a reasonable level of model fit. The literature suggests these as outcome measures of HR, i.e., that better HR results in higher levels of trust, motivation, well-being and organisational performance (for example see Farndale et al., 2011; Guest et al., 2003; Kinnie et al., 2005; Searle et al., 2011). This would seem to support the findings of the research that there was not enough evidence to suggest that these factors would be able to explain how HR reputation is formed. The resulting model describing all the components of HR reputation as described by this research is presented in Figure 7.1.

Figure 7.1: Final model of HR reputation



The final model therefore consists of seven factors in total making four sub-scales. There is a fair degree of comparability between these factors and the original factors identified by the literature as having the potential to explain HR reputation. As discussed above in

the performance sub-scale, the study found little support for outcome measures of motivation, well-being or organisational citizenship as measures of HR performance, although the literature suggested these outcomes follow from good HR practice. However, the study did support the perception-based measure of HR effectiveness. This measured how effective individuals believed HR practices are in delivering their intended outcome. This reflected the literature, which suggests that HR practices can have a different outcome from that intended at their design (Purcell and Hutchinson, 2007; Wright and Nishii, 2007) and suggests that one of ways individuals form opinions of HR is through their experience of HR practice. It may also be that individuals do not recognise motivation, well-being and organisational citizenship as outcomes of HR practitioners actions or functions and more as outcomes of their experience of HR practice, as those activities have been outsourced to and are now delivered by line managers (Sheehan et al., 2014).

7.1.2 Developing the scale

The main study in the quantitative work was the large-scale survey, which explored the perceptions of the largest group of HR stakeholders: employees. This was the first time that such a study has been conducted. As described above, this provided support for the four sub-scales of HR reputation and a reasonable level of model fit was achieved for each sub-scale described in Figure 7.1. The model fit statistics are discussed in Chapter 5 above.

The validity of the scale was assessed using the final model of HR reputation, where the factors within each sub-scale were summed resulting in a four-factor model. Prior to this, each sub-scale was validated using model fit statistics obtained from confirmatory factors analysis (χ^2/df , CFI, TLI, IFI, RMSEA, CR and AVE). Each sub-scale was reviewed until the best fit was achieved. All achieved a reasonable level of fit on CFI, TLI, IFI, CR and AVE. The validation processes attempted to assess the three types of validity relevant to scale development: content validity, criterion validity and construct validity (DeVellis, 2011).

In terms of content validity, the quantitative exploratory work was designed to question a number of knowledgeable people on their views of HR reputation and how it might be measured against identified factors and issues distilled from the literature. The results

were analysed using content analysis and the results used to review and revise the items identified from the literature. This was followed up with expert opinions being sought on the final list of items to be included in the data collection instruments. As a result, the work suggests a degree of confidence that the items contained in the pilot and main study questionnaire did in fact relate to the real-world setting and the actual criteria that are influencing perceptions of HR and hence HR reputation.

The main tool for assessing criterion validity was the correlation between the sub-scales forming the measure of HR reputation. These were all strongly and significantly correlated, but some were less than 0.70, suggested by Kline (2013) as the cut-off point for establishing good concurrent validity (all correlations between 0.550 and 0.796). However, there was good concurrent validity within each sub-scale where all factors correlated (>0.705). Combined with the fact that a good model fit could not be achieved for a model of HR reputation using a summation of the factors in each sub-scale (see Chapter 5, Section 5.5), this would seem to indicate that each sub-scale represents a perspective of HR reputation rather than acting as a single factor to explain HR reputation. Or rather than HR reputation is multidimensional. This would reflect the literature, which suggests that HR reputation is complex, and multifaceted, particularly the work of Tsui (1990), who presents a multiple constituency model.

To further establish the construct validity of the scale, the scale was compared with the outcome measures of motivation, well-being and organisational citizenship (all measured using validated scales), which have been rejected from the model during confirmatory factor analysis. Initial correlations were positive, showing good correlations between the three validated scales and the four components of HR reputation. This demonstrated that the HR reputation scale is behaving broadly similarly to other scales designed to measure the outcomes of HR as observed in the literature (for example see Guest et al., 2003, Purcell and Kinnie, 2007) and suggested that the model could be accepted as a scale of measurement for HR reputation.

The final model therefore argues that HR reputation is formed of shared judgements of the four factors of: expectations of HR, trust in HR, HR professional and business skills, and HR effectiveness and practice. It supports the view that different stakeholders might form different perceptions of HR as suggested in the literature (Tsui, 1987, 1990; Tsui and Gomez-Mejia, 1988; Tsui and Milkovich, 1987). The data shows that line managers

do have more negative views of HR than other employees. However, this contradicts the findings of Tsui (1990), who found that managers rated HR departments more favourably than other employees. This may be because of the time elapsed between the two studies in which HR has developed considerably and repeated attempts have been made to make HR functions more strategic and more aligned to business strategies. There is also a strong correlation between HR reputation and perceptions of HR added value, suggesting that when HR is contributing to the business, employees have more positive perceptions of the function. Again this supports suggestions in the corporate reputation literature that when stakeholders are favourable about one aspect of a construct, they are more likely to be favourable about others – the so-called halo effect (Brown and Perry, 1994; Surroca, Tribo, and Waddock, 2010).

Hence HR reputation may differ significantly according to the stakeholder group. It is also perception based and multi faceted, formed by stakeholder perceptions of the four factors; how far their expectations are met, HR practitioner's knowledge of HR and the business, the trustworthiness of HR practices and values and HR's ability to deliver effectiveness and positive outcomes for individuals.

7.1.3 Does HR suffer from a 'bad' reputation?

Having established as far as possible that the scale of HR reputation is an accurate measure, it is now possible to use that data to determine what in fact the opinion of UK employees of HR is. The data found consistently negative views of HR, although not as negative as some of the headlines alluding to HR's unpopularity among managers and employees would suggest. In fact, the mean scores for the responses on all the dimensions of HR reputation fall somewhere between the neutral response score of 3 ('neither agree nor disagree') and the negative score of 2, and this does not differ according to gender, age, length of service, educational attainment or sector. It is possible to conclude therefore that HR does have a bad reputation, or at least a reputation that is less than positive, and that clearly there is some room for improvement.

However, it does differ according to line management responsibility, with line managers consistently rating HR more negatively than other employees on all of the sub-scales. This is broadly in line with the expectations from the literature that line managers would have a lower opinion of HR or form more negative perceptions. From discussions with

line managers during the exploratory research, the data would appear to support the view that line managers believe that HR is not giving them the support they expect.

7.1.4 What variables explain the difference in HR reputation?

Following on from the discussion above, the OLS regression reported in Chapter 5 found that the only variables explaining variance in HR reputation is line management responsibility and perceptions of HR added value. Respondents who believed that HR added value in the organisation tended to have higher perceptions of HR, and those with line management responsibility tended to have lower perceptions in all of the sub-scales except skills and abilities. This has some synergy with previous findings in the literature which indicate that if employees, particularly senior managers, believe HR is a valuable tool for the business, they are more likely to enable a positive and value-adding HR function that has more influence and input into strategy (Gutherie et al., 2011; Sheehan et al., 2014; Sikora and Ferris, 2014).

There were some indications that managers who have responsibility for more employees generally feel less positive about HR. This was evident in strong negative correlations between line management responsibility and HR reputation, with line managers responsible for more employees tending to have a lower opinion of HR. This fits with the literature (for example De Winne et al., 2013 Kuvaas et al., 2014). However, the regression did not produce significant results for all sub-scales, so implications for causality can only be accepted with reservations (see Chapter 6). So although line manager responsibility has implications for causality in terms of difference in HR reputation, there may also be other factors that might contribute to this opinion, such as length of service, age or level of qualification, all of which showed some negative correlation with HR reputation, albeit small and not significant.

However, there are many implications of this finding. The literature and prior research have focused on the critical role of line managers in delivering HR policies and bringing them to life for employees (for example see Purcell and Hutchinson, 2007). It has also proposed that there is a difference in experience in HR practices through delivery by the line manager than that intended at the design stage (for example see Wright and Nishii, 2007). It would appear therefore that line managers, who for most employees represent their relationship with the organisation, being the conduit through which they give and

receive information about the organisation and experience employment practices, could be very influential in determining the outcomes of HR practice, motivation, well-being and organisational citizenship, among others. If their negative perceptions of HR influence the way they deliver HR practice, they may have a direct result on perceptions of HR performance, which in turn may lead to more negative perceptions of HR. This is something that HR will need to address, therefore, before they can improve their reputation throughout the business. This may relate to legitimacy theory, as there is an apparent need for HR to legitimise their role as supporters of line managers to deliver HR practice rather than as having the responsibility themselves for the implementation of practice.

7.1.5 Answering some vital questions

The literature review and qualitative work raised some further interesting questions around HR. These included whose side HR is on – that of the business or that of the employees, or both? Is trust in HR mitigated by trust in senior leaders? What is the role of the line manager in implementing HR practice and hence being responsible for how those practices are viewed by individuals (which has largely been dealt with above)? Do HR practitioners have the right competencies to deliver relevant HR services?

In terms of whose side HR is on, the literature identifies that HR has many stakeholders and may respond to those stakeholders differently depending on the level of power they exert (for example De Winne et al., 2013; Sanders and van der Ven, 2004; Sheehan et al., 2014). Furthermore, the question of a more strategic role for the profession has potentially encouraged them to prioritise the interests of the business over those of employees. The outcomes of the study do suggest that potentially employees see two distinct roles for HR: providing support for individuals to manage the employment relationship and providing support for the business. However, in terms of added value, only HR effectiveness proved to be a valid measure of HR performance. This would seem to suggest that for employees and managers, although they recognise HR may have a role supporting the business, this is less important for them and less likely to shape their opinions of HR. This challenges the profession's view of itself as espoused by the CIPD, which suggests that it is lack of business skills that leads to a poor reputation for HR.

This issue of skills was further explored in the literature, which identified two issues: whether HR has the right skills to be successful and whether the profession is attracting sufficiently competent people. The latter has so concerned the CIPD that it embarked in 2012 on a programme to attract more bright graduates into the profession. This above finding is therefore pertinent and it would seem to indicate a potential mismatch between what the professional body considers to be the relevant skill set for the profession and what managers want in terms of HR skills to support them. It would appear there is a potential danger if the profession pursues business skills at the expense of the operational knowledge and support that employees and managers expect.

A further question raised in the literature is whether trust in HR is mitigated by trust in senior leadership. This issue is reflected in the factor analysis, which identified two factors in the sub-scale of trust: trust in HR to behave fairly and trust in their ability to ensure fairness and ethical values from the organisation. These seem to suggest there is recognition that HR has a role to play in shaping the ethical values of others and taking on the guardianship of ethics to at least some extent. However, the results tell us little about whether or not senior leadership have an impact on the ability of HR professionals to behave ethically; more work on context will be required to explore this issue further.

7.2 Theoretical implications

Several theories contributed to the theoretical underpinning of this work. However, the most useful are legitimacy theory and stakeholder theory. Legitimacy theory implies there is some sort of contract between an entity and its constituencies or stakeholders (Deegan, 2006) and emphasises the continual attempts of the entity to ensure that it functions within the norms and bonds expected by its constituencies. Stakeholder theory is also concerned with the relationships between an entity and its constituencies or stakeholders (Freeman, 1984) and recognises that different stakeholders may have different levels of power according to their ability to control resources or exert influence.

As discussed in the introduction, the theoretical starting point for the study was Tsui's multiple constituency theory. This in turn draws heavily upon power theory and stakeholder theory. It provided the theoretical underpinning to investigate the relationship between HR as an entity comprising HR professionals and others engaged in designing and delivering people management policy and practice, and its constituents, the

recipients or end-users of those policies and practices, to inform how those end-users are making judgements about HR. It assumes there is some kind of contract between HR and end-users in that end-users have expectations of HR to support them and the businesses they work for, and HR starts with a premise of what end-users need from HR services.

The research data reported above suggests that different stakeholders are likely to have different expectations of and form different judgements and perceptions of HR. The data suggests that line managers hold different views of HR than other employees. This again is consistent with Tsui's multiple constituency framework approach (Tsui, 1990), which was originally put forward as an approach for studying and measuring organisational effectiveness. This work supports the idea that HR has multiple stakeholders who may have different expectations of and form different perceptions and judgements of HR as an entity. This work has demonstrated that in two of the sub-scales, trust and skills, there are two distinct views of HR: views of HR professional ability and views of HR business-level abilities. They also equate to outcomes for the individual or department and outcomes for the business.

These findings support the use of stakeholder theory as applied to HR to explain HR behaviours and actions in that it recognises the different perspectives and stakeholder interests prevalent upon HR which may cause HR to act differently or behave differently depending on the stakeholder needs that are prioritised. So if HR is prioritising the needs of those stakeholders who value business outcomes more highly than those who value personal or department-level outcomes, their reputation in the eyes of those stakeholders may be damaged or less positive as they will be making harsher judgements about HR's ability to fulfil their needs. The Tsui model recognises a diversity of constituencies exhibiting either resource dependency or task dependency upon the HR department. The question then is how HR responds to this through managing stakeholder interests. This research also supports the idea of HR having multiple constituencies and suggests that sometimes they will have to prioritise the needs of different constituent groups. However it also suggests that HR reputation may be influenced by the different perceptions that various constituents hold of HR. However to explore this further future work will need to be carried out measuring HR reputation among different stakeholder groups such as leaders and strategic decision makers as well as employees and line managers.

At the same time HR may also be concerned to engage in actions that they believe legitimise their role to the relevant stakeholders. Legitimacy theory implies that the entity, in this case HR, will be encouraged to behave in such a way that they will prove acceptable to their constituent (Suchman, 1995). The evolution of HR suggests that HR now prizes their strategic role above the transactional element of the HR role (Payne, 2010; Sheehan et al., 2016 (1)). The HR professional body has highlighted numerous works drawing upon the evidence of a link between people management and performance (Appelbaum et al., 2000; Becker and Huselid, 1998; Huselid, 1995; Pfeffer, 1994) as evidence that the HR professional plays a legitimate role in driving business performance. It may be that in seeking to meet the needs to adapt or legitimise itself to a socially constructed norm of business that sees the needs of the business as paramount, HR has neglected a less powerful but perhaps larger constituency of line managers who are looking for effective support and guidance.

The findings of this study fit with legitimacy by suggesting that HR may engage in activities that they believe will best satisfy the needs of the most powerful stakeholders, those who exert the most influence, control the resources and influence the legitimacy of HR as a value-adding entity. One respondent to the exploratory work commented that 'organisations get the HR departments they deserve'; by which they intimated that HR activity and sphere of influence is significantly influenced by powerful stakeholders who wish to influence HR to satisfy their own interests.

During factor analysis on three of the four sub-scales, factors were identified that related to HR activities at different levels of the organisation: relating to the business or corporate sphere and relating to the individual or person sphere of activity. So for example there was a differentiation between HR professional skills and HR business skills, between HR effectiveness in the organisation and individual satisfaction with HR practice, and between trust in HR to act fairly and trust in HR's ability to ensure the organisation behaves fairly and ethically. This might suggest that HR is viewed differently in terms of which stakeholder group their activities relate to: individual employees, or the organisation as an entity represented by senior managers and owners.

Stakeholder theory suggests HR personnel and departments are likely to respond differently to different stakeholders depending on their power and influence; this is supported by the results, with line managers showing a more negative opinion of HR than

other employees. We could therefore conclude that, consciously or unconsciously, HR may be seeking to legitimise their role in the eyes of certain groups of stakeholders; and the extent to which they will change or shape their behaviour to legitimise their role will depend on the power and influence that stakeholder group may be able to exert over the HR function.

7.3 Conclusions and contribution to knowledge

In the introduction to this work a number of knowledge gaps were identified (section 1.2). The first of these was concerning the nature of HR reputation itself and whether or not HR reputation is negative. The second concerns what the components or factors contributing to reputation might be and the criteria on which HR was being judged. The third gap considers how HR delivers performance and how HR is delivered through different kinds of delivery models and different HR roles, and whether HR is expected to deliver performance at the individual or organisational level, potentially needed to balance the needs of individuals with those of the business. The fourth gap was about the measures to assess the value of HR, and the lack of understanding from the HR profession itself to build upon the evidence that good people management drives performance.

The work presented in this thesis supports a number of conclusions about HR reputation and how it is formed, which adds to knowledge in all four areas. Although little work existed on HR reputation, the starting point for the work came from Ferris et al., who concluded that it was apparent that the HR reputation construct was broad and multifaceted (Ferris et al., 2007: 125). They also suggested that the starting point for any inquiry into HR reputation ought to be that reputation is defined as collectively agreed upon perceptions of an HR department by others. As a result, the starting point for this work was the premise or understanding that HR reputation would be perception-based, and this informed the development of survey items and sub-scales to explain the construction of HR reputation. Analysis confirmed that it was possible to demonstrate that perception-based measures existed within four sub-scales that might potentially explain HR reputation: expectations of HR service, trust, skills, and HR performance.

As a result, it is apparent that perceptions and judgement are made about HR on four distinct dimensions (reflected in the sub-scales), which confirms the broad nature of HR

reputation and its complexity but starts to explain some of this complexity in terms of the different dimensions that influence HR reputation. Identification of these four dimensions and the resulting model of HR reputation provide a degree of justification to argue that expectations of HR service, trust, skills and abilities, and performance are the key components of HR reputation, and it is perceptions of these four dimensions that determine how HR as an entity is viewed in organisations. Analysis of the data collected on these four sub-scales also starts to add to knowledge about what is expected of HR. The data clearly demonstrated that employees and managers seemed to value the effectiveness elements of HR rather than the strategic or business-related, which does not fit with the literature arguing for a more strategic and value-adding role for the HR profession and individual HR departments (for example Alfes et al., 2010; Lawler and Mohrman, 2003; Payne, 2010; Pritchard, 2010; Sheehan et al., 2016 (2); Ulrich and Brockbank, 2005).

The second premise identified from the literature was that such perceptions and judgements might differ according to the level at which the different stakeholder groups were establishing relationships with the HR function (Cwaik, 2014; Walker, 2010). This was supported by the idea that HR is often managing conflict between different stakeholder groups and the duality of focus for HR between the economic rational interests of the firm and moral relational interests of employees (Gomez-Mejia, 1988; Paauwe, 2004; Sheehan et al., 2014; Tsui and Milkovich, 1987). Initially three levels were identified: the individual level of the individual employment relationship, the departmental level at the level of departmental policies and practices, and the corporate level embracing HR's strategic role and contribution to the business.

Whilst the factor analysis did not differentiate between all three levels, it did differentiate between HR activities at the level of the individual, or rather those activities that impacted directly on individuals or their managers, and HR activities that impacted upon the business. There is a caveat for this in that the data was only collected from employees and not senior managers or stakeholders with an ownership role in the business. However, it does seem to suggest that employees at least make a clear differentiation between HR as part of a team that manages the business and HR as guardians of the employment relationship with individuals. However, as the latter is increasingly delivered through the line manager relationship, this makes it harder to unpick the impact that HR action has on perceptions by looking at the impact that the line managers' interpretation

of the action has at the implementation stage, which is in line with the findings of Purcell and Hutchinson (2007), Nishii et al. (2008) and Wright and Nishii (2007) among others. These findings add to our understanding of different stakeholder groups that have different expectations and ultimately different perceptions of HR services and the ability of HR professionals to deliver them.

The third premise is that work on HR reputation should be underpinned by legitimacy and stakeholder theory. Both the literature and the actions of the HR professional body (CIPD) to date indicate that the HR profession has been concerned to legitimise itself by arguing the case for HR involvement in strategic-level decision-making and proving the contribution HR makes to the business (Gilmore and Williams, 2007). Previous work by Tsui (1990) and others indicates that HR is multifaceted and has multiple stakeholders with often competing demands. The data suggested that different stakeholders may make different judgements about HR, as it appears that line management responsibility may explain some of the variance in HR reputation.

The findings confirm that HR reputation does indeed appear to be multifaceted, with four clear dimensions necessary to develop understanding and to measure it. It is also clear from the literature and development work that much of the efforts of the profession itself to enhance its reputation have focused on proving the case that HR adds value or becoming more business-oriented rather than formulating a response to the espoused expectations and concerns of stakeholders (Galang and Ferris, 1997; Galang et al., 1999). And that by doing so they distance themselves further from employees (Francis and Keegan, 2010), potentially causing them to question their motives (Nishii et al., 2008), which may in turn impact upon perception of HR and hence reputation.

This work has contributed to our understanding of HR reputation by demonstrating the components of HR reputation contained in four sub-scales, which together provide a measure to take forward research. It also demonstrates that both legitimacy theory and stakeholder theory are relevant to HR reputation. Legitimacy theory can help to explain why the HR profession itself, guided by their professional body the CIPD, has sought to address negative headlines by seeking to demonstrate that HR adds value and appeal to more powerful stakeholders such as business leaders. This has often been at the expense of their role in safeguarding the ethical and moral standards of the business. It has also led to significant role tension (for example see Francis and Keegan, 2010;

Sheehan et al., 2014; Sikora and Ferris, 2014) between on the one hand seeking to implement policies that lead to positive employee outcomes such as motivation, well-being and organisational citizenship, and on the other contributing to the achievement of business objectives, which often require them to squeeze productivity through work intensification. Stakeholder theory is also important in explaining the actions HR has taken to address its reputational issues as it seeks to establish itself in an influential position within the organisation from which to make the case for the role of adding value through people. This work therefore brings into question the actions of the profession focused on legitimising itself in the eyes of business leaders. It implies this might impact negatively and, therefore the HR profession itself may be architects of its own poor reputation.

Finally, the work presents the scale of HR reputation that can potentially be taken forward to investigate HR reputation in a variety of contexts and from a variety of stakeholder perspectives. This contributes to the last two knowledge areas: enabling individual HR departments or functions to audit themselves to better understand how they are viewed, and the issues that are impacting on reputation. This in turn may also facilitate their ability to manage reputational issues and better manage the expectations different stakeholder groups have of the HR function and HR activities.

This work has therefore gone some way to addressing the first of the four identified knowledge gaps in that it has given a better understanding of the nature of HR reputation and a clearer understanding of the factors informing HR reputation. It has also been able to provide statistical evidence, for the first time that HR does suffer from a negative reputation, at least among two of their important stakeholder groups, employees and line managers. However more work will be needed to investigate whether HR reputation differs when HR adopt different models of delivery or prioritise different roles such as administrative expert or strategic thinker. In terms of the fourth gap in the knowledge, being able to measure reputation will undoubtedly enhance the ability of HR practitioners to understand how they are perceived to add value. However only with some practical application of the measurement scale will they be able to generate the insights to build their reputation and their perceived value to organisations. The next section will look at some of these practical applications.

7.4 Practical implications

This work was prompted by the apparent widely held belief that HR does not add value in organisations. Research on HR reputation has been minimal and to date very little has been understood about the way in which reputation is constructed. The HR profession itself has resorted to attempting to persuade the business world of its legitimacy and worth rather than making any real effort to understand how different stakeholders view the HR role and what expectations they may have of it. Perhaps the biggest practical contribution of this work is that it provides the basis for greater understanding of HR reputation and ultimately how the HR profession might manage and manipulate that reputation to improve their ability to add value. To achieve this it potentially gives HR practitioners a tool to understand how they are perceived and judged by different stakeholder groups. There was a clear message from the qualitative, exploratory part of this work that HR can only play the role they are allowed to play by senior executives. This is supported by research evidence that suggests that one of the most important influences on the HR role is the regard HR is held in by the chief executive or other senior managers and the relationships they are able to build with these individuals (Boudreau, 2015; Daniel, 2013). However, as discussed in Section 7.3 above, there is a danger that HR may seek to take a managerial stakeholder perspective rather than an ethical stakeholder perspective and become focused on meeting the expectations or legitimising their role in the eyes of their most powerful stakeholders, business leaders, to the detriment of the interests of other stakeholders, such as employees. This may do little to enhance their reputation with the largest stakeholder groups.

The HR profession has long been dogged by popular headlines as to their ineffectiveness and inability to add value to business. This view has not been allayed by academic research, which has also questioned HR's ability to move into a strategic role (Boudreau and Lawler, 2014; Caldwell, 2003; Hope-Hailey et al., 2005; Schuler, 1990), and HR's involvement in corporate scandals has put their role and legitimacy as a valued function into question (Lansbury and Baird, 2004). A scale to measure HR reputation and gather empirical evidence at an organisation level would be helpful for HR practitioners to understand and potentially challenge these views. This empirical evidence collected from the survey of employees indicates that, whilst not held in the highest regard, employees are generally either neutral or only slightly negative about HR on all of the four dimensions of expectations of service, trust, skills, and HR performance.

Furthermore, a scale with the four dimensions or sub-scales as proposed above would enable HR functions to audit their activities and make better-informed judgements about where they might focus their efforts to provide HR leadership or people-focused support to their business. Each of the sub-scales measures an important dimension of HR activity and there are some practical advantages of addressing each of these dimensions. For example, much of the work on strategic HR argues that the HR function has to be credible before it can be strategic. A better understanding of perceptions around skills and abilities and expectations can help HR practitioners build their credibility in the eyes of employees and managers, which may therefore enhance their ability to access strategic influence and add value.

The work does however also provide a starting point from which to question the value of HR delivered through a specific HR function in driving both individual and organisational performance and the role of HR practitioner's as participants in the strategic decision making process of organisations. For most individuals it would seem that HR practice is delivered through the line manager and therefore it is potentially line manager proficiency at people management that impacts perceptions of HR. Although there was a clear differentiation between perceptions of HR in relation to the individual and in relation to the business, there is no evidence from this study to suggest that HR is valued or perceived more positively because of its contribution to business. The study found that individuals are more concerned with HR functions and practitioners being effective at supporting line managers than adding value to the business.

The issue of context was something that both the literature and exploratory work implied would be important in shaping HR reputation. However, this proved difficult to incorporate into a scale of measurement. Nevertheless, a better understanding of how HR activity is viewed in different contexts would help practitioners be more aware of the limiting and enabling features of context, which may help them to shape an appropriate and credible role for themselves. Being able to review and assess their impact on the different stakeholder constituencies would potentially enable HR to understand and tailor their response according to their unique environment. So, for example, if HR is able to measure accurately how they are meeting their stakeholders' expectations, they are likely to be more able to tailor their service to respond to changes in the context and stakeholder expectations of HR support.

Furthermore, there is potential scope to measure perceptions of HR across industries, knowledge intensity, national boundaries and cultures, different strategic approaches to HR and leadership styles. Potentially the scale provides researchers with an added dimension to research in the field of HR and organisational behaviour, enabling them to account for the impact of HR reputation on other significant issues such as trust, leadership style, change, and culture, to name but a few.

For the HR function itself therefore, this scale has the potential to shape thinking and understanding about the views, which may be challenging the ability of individual HR departments to add value in their organisations. It may also enable functions to become more effective by gaining a better understanding of what really matters to HR stakeholders and hence how they can enhance their reputation among those groups or have a better informed dialogue with stakeholders about the expectations each might have of the other.

The practical advantages of a scale to measure HR reputation are not confined to enabling the HR function itself to improve its reputation or relevance. Better understanding of how HR functions are valued and perceived in organisations may also enable organisations themselves to make better-informed decisions about how they deliver HR services. This research has not been able to demonstrate that the way HR services are delivered (the delivery model) is a causal factor of perceptions and judgement of HR. However, one of the practical uses of the scale would be to look for differences in HR reputation between organisations that deliver HR differently to see if HR potentially is better regarded and perceived to have greater value when delivered centrally, outsourced, or when more HR responsibility is devolved to line managers. It might also be used to assess differences where HR specialists are part of the strategic decision making process and when their role is a support role for line managers. Both the literature and the exploratory work pointed to the line manager–HR function relationship as being a critical factor in determining the way in which HR is regarded. This was supported to some extent by the data, which shows a more negative opinion of HR among those with line management responsibilities. Greater understanding and better-quality information about how HR is judged and what influences these judgements would better inform the decision about the level of people management responsibility of line managers and the nature of support they might need from HR practitioners or other individuals to deliver on these responsibilities successfully. Furthermore, the literature

suggested that perceptions of HR might be formed at the unit level and hence different groups within the organisation might have different views of HR. This might even be down to the capability, and actions of a single individual HR practitioner. By enabling organisations to measure perceptions of HR, better knowledge-sharing between groups and identification of good people management practice could occur, enabling HR practitioners to establish better working relationships with line managers overall. This might also enable organisations to better understand what needs to be done to manage people effectively in organisations, refine the HR practitioner and line manager role, and challenge the notion that a strategic HR department is always the best vehicle to add value through people. The work clearly suggests that HR as a function is valued more for its effectiveness than its ability to add value, and it may be that other stakeholders are more able to add to organisational value through better use of HR practice and actions than HR practitioners themselves.

This work was limited to data collected from employees and managers and it may be that other stakeholder groups such as senior managers will hold different views. However there is a suggestion that currently managers and employees value HR for the support they are given to carry out their roles effectively, and that also currently they do not believe they are getting such support. Coupled with the view in the literature, and to an extent borne out by this research, that HR perform less well in a strategic role than in a practice support role, there is an argument that strategic decisions about the direction of people management should be made collectively rather than by HR practitioners and that HR functions should focus on their support role enabling managers to add value through good people management rather than striving to be a value driven function in itself. Further work using the scale to measure perceptions of a wider range of stakeholder groups and in different context would be needed to explore this possibility further.

7.5 Limitations of the work

Although a large-scale survey of employees' views of HR and HR reputation has not before been carried out, a limitation of this survey is that the data has only been generated from two of the numerous stakeholder groups who potentially exert influence on HR – employees and managers. To further test the theory that HR reputation is constructed through HR attempting to meet the expectations and legitimise their role in the eyes of diverse stakeholders with relative power and influence, further differentiation

of the data would be required to reflect the sub-stakeholder groups of senior managers, shareholders, and indirect customers of HR services. It would therefore also be necessary to gather data from other potentially more influential stakeholders, such as shareholders and customers.

A potential limitation was the relatively small number of responses to the pilot survey (n=120 for survey 1, n=83 for respondents completing both survey 1 and survey 2). However, as a pilot, small numbers are in some way expected. However, this was in some ways mitigated by accepting a factor loading cut-off point of 0.500 for exploratory factor analysis rather than the commonly recommended cut-off of 0.400. Further work to test the validity and performance of the scale with different data sets should also seek to test the theory that different stakeholder groups may form different perceptions and judgements about HR dependent upon HR's efforts to meet their different expectations and legitimise their role.

The literature and exploratory work both demonstrated the complexity of HR reputation and that reputation may differ according to the level at which HR are operating. From this work it was possible to suggest that HR might have a poor reputation at one level of operation, for example at the strategic level, but still be positively regarded for their operational activities. However, the nature of scale development made it difficult to follow up on these findings and explore these issues in any depth or with any rigour. As a result, the constructs are focused more on the operational aspects of HR, such as service, skills and effectiveness, than the strategic, such as added value. Although attempts were made to include some of these aspects, they became problematic in the later stages of scale development and were hence excluded from the final scale.

A further potential limitation of this work is that the survey data was collected at the individual level, thus not allowing for group-level influences on perceptions and judgement. However, the literature suggested that individuals' perceptions of HR are likely to be influenced by their experiences and perceptions of HR practices and that this might be explained with reference to distributive and procedural justice. It is also justified by the premise developed from the literature that HR reputation is perception-based and would therefore rest primarily on the judgements made by individuals.

Because different line managers may deliver practices differently, there was an implication that perceptions might be shared at the unit level rather than organisation-wide. However, because this data has been collected from individuals, it does not allow for the influence of shared group perceptions on individuals' perceptions and judgements. Going forward there is potential to now use the scale to identify differences in perceptions of HR reputation between different groups of workers as well as between different contexts for HR delivery, which may also have influences on the perceptions of groups.

The history and development of the HR profession demonstrates the growing complexity and relevance of people management to business. Work on HR roles demonstrates that HR practitioners are differentiated not only in terms of their expertise, but also in terms of their sphere of influence. As discussed above, although initially an attempt was made to reflect HR operations at different levels in organisations, there has not been the scope to adequately differentiate between the different roles HR plays, either as HR administrators, strategic partners, change agents and employee advocates as described by Ulrich (1997), or in terms of specialist skills, as described by the professional HR body, the CIPD, in its professional map. As different roles and different specialisms are likely to appeal to different stakeholder groups, it may well be that perceptions and judgement and hence HR reputation will differ depending on which role is most prominently played by different HR practitioners, or as specialist skills become more or less relevant to the business – for example, the ability to recruit scarce skills in tight labour markets or manage knowledge in a more knowledge-intensive economy.

In the future, as well as further validation of the scale, more of these issues will need to be explored in order to further understand HR reputation. Perhaps one of the most important aspects is the people management aspect of the line manager role and the extent to which people management, being experienced by most individuals through their line manager, is only indirectly influenced by HR practitioners. It may therefore be that in the future we need to differentiate between the extent to which HR reputation is shaped by HR practitioners themselves and the extent to which it is shaped by line managers' delivery of people management practice.

7.6 Directions for future research

This work provides a strong foundation for further investigations into HR reputation. The development of the factors and sub-scales reflects the multifaceted nature of HR reputation and presents strong arguments for measuring reputation across the four different dimensions. The work draws on data provided by a large-scale survey of UK employees. However, to further strengthen the validation of the model and its sub-scales, future work should seek to identify alternative data sets to establish if the scale operates consistently across different sample populations (Brown, 2015; DeVellis, 2011).

In addition, the study was inconclusive in terms of establishing the difference in HR reputation that might be associated with the delivery model of HR. It might be assumed that a more remote HR function would result in more negative views of HR (Hird et al., 2010; Keegan and Francis, 2010). However, in the sample far fewer respondents identified as having a wholly or partly outsourced function. Further work might therefore provide greater insight into this issue by comparing workplaces where HR is delivered differently. These differences might be examined by looking at whether HR reputation differed between organisations delivering HR through shared service centres, by wholly or partly outsourced HR services, and those delivering HR through in-house HR functions or other methods. Further differences might be found between organisations delivering HR through professionally qualified practitioners and those using non-qualified staff. The scale provides a tool to make such comparisons to identify whether perceptions of HR might differ according to how HR is delivered and whether this has implications for effective people management.

Perhaps one of the most important implications of the work is that different stakeholders may hold different perceptions of HR, which could elicit a different response from HR as it seeks to legitimise its position as strategic contributors in organisations (Colakoglu et al., 2006; Hannon and Milkovich, 1996; Sheehan et al., 2014). Indeed, the work did find support for the hypothesis that employees with line management responsibility view HR more negatively than others. Further work investigating the views of HR from different stakeholders such as senior managers, executive decision-makers, or employees employed on alternative contracts, such as the self-employed or temporary workers, might help develop our understanding of how HR activity is viewed by such groups and

hence can add value in more diverse, flexible and non-traditionally structured organisations.

In addition, further work to understand what other factors might explain differences in HR reputation between workplaces would be useful to further identify how the HR function might go about building a positive reputation or rebuilding a tarnished one. This might also prove useful in potentially establishing a link between HR reputation and organisational effectiveness, or HR's ability to add value in organisations. Again, the scale provides a useful starting point to compare organisations at different levels of maturity and with varying degrees of success in their sector.

HR was defined in the introduction as all the activities and services delivered within an organisational setting designed to manage people at work. This definition embraces those activities and the implementation of people management practice that may be undertaken by non-HR professionals such as line managers. It also embraces strategic decisions that may be taken at the strategic level by non-HR business leaders. Given the emphasis on perceptions of HR at the transactional level, further work investigating whether HR is viewed more or less positively in organisations where HR activity is more dispersed and devolved to line managers and non-HR business leaders would be useful to aid our understanding of how HR should be positioned and delivered in organisations. It might also shape our understanding about what level of HR activity should be delivered by professionally qualified HR practitioners and what would be best handled by line managers skilled in people management or business strategists informed about the value and contribution of the human resource.

A further consideration for further work would be to examine the difference in perception between actions that are specifically associated with an HR function or department or HR practitioners, and HR activities or decisions that are carried out by non-HR specialists such as line managers or strategic managers. This work did not address this issue but – given the conclusions around the relationships between HR and the line, the expectations of service that line managers have of HR, and the focus on effectiveness rather than added value – the question of whether HR is too important to be left to HR practitioners would be worth revisiting to investigate whether HR has a better reputation when more HR activities or practices are delivered by line or other managers and leaders.

In summary there are many directions future work can take. As Ferris et al. (2007: 126) state, 'Until we have some type of scale or assessment device for measuring HR reputation, empirical research will not progress quickly or meaningfully.' This study presents such a scale and it is hoped the work will generate more empirical research to further enhance what is known about the role and value of HR reputation.

8. References

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Appendix 1: Exploratory work interview schedules

Interview Questions HR

Introduction

How is HR organised and positioned in this organisation?

What model of HR would you say you are delivering?

Perceptions of HR service

1. Who are your customers/stakeholders?
 - a. How do you get feedback from your customers?
 - b. How do you act on that?
 - c. Which customer/stakeholder needs take precedence?

Positioning and leadership of the HR function

2. What role or roles does HR play in your organisation?
 - a. Are they successful in this role(s)?
 - b. Is this the right role for them?
 - c. Do you have a specific change management role?
3. How influential is HR at the senior level?

Context and Performance

4. How does the HR department contribute to organisational objectives?
5. What measures do you use to demonstrate value from HR?
6. How is HR recognised and valued by:
 - a. Senior managers
 - b. Line managers
 - c. Employees

Skills and Abilities

7. What do you think are the qualities that make HR successful
8. How are these qualities recognised?
 - a. at recruitment
 - b. in development

c. in talent management

9. What are the most important skills you use in your HR role?

10. Are there any barriers, which prevent HR from acting effectively?

Trust

11. What role does HR play on building trust between employees and the organisation?

12. Whose side are HR on?

13. Do you think the organisation generally values its people?

Close

14. Does HR deserve its reputation?

In Search of HR's Lost reputation

Interview Questions Managers

Section 1 Introduction

- 1) Can you describe your people management role?
- 2) What are the key challenges for you in carrying out this role?

Perceptions of HR service

1. Describe how the HR department meets your needs as a line manager and supports you to manage people?
 - a. Do members of your team approach you or HR when they have an HR related issue?
 - b. Does HR make efforts to ensure policies are implemented fairly and consistently across the organisation?
 - c. Do you believe they supply leadership on HR or technical support?
2. How influential do you think HR is on the business
 - a. What would members of your team say about HR and their influence on the business?

Positioning and leadership of the HR function

3. What role or roles does HR play in your organisation? Are they successful in this role(s)?
4. Is this the right role for them?
5. Do they have a specific change management role?
6. How influential is HR at the senior level?

Context and Performance

7. How does the HR department contribute to organisational objectives?
8. How well do they support you to achieve your own objectives
 - a. Is HR support and tools tailored to your needs?
 - b. How do you provide feedback on services and tools?
 - c. Do they act upon this feedback?
9. How is HR performance communicated?

Skills and Abilities

10. Do you think your HR department has the skills to carry out HR effectively?
 - a. If no, What skills might they be lacking?
 - b. Are some HR people more skills than others.
11. Do you think your organisation has been able to attract people with the right qualities to deliver HR effectively?
 - a. If no, what qualities do they lack?
 - b. Is it HR professionals at the local or corporate level who lack ability?

Trust

11. Do you trust the HR department to work in the interests of managers and the business?
 - a. Examples?
 - b. If not whose interests do they align with? Whose 'side' do you think HR are on?
 - c. Is this the right 'side'?
12. Do you trust your HR department to ensure fair treatment for all?
13. Do you trust the advice given to you by HR?
 - a. If not why not, examples?
14. Do you trust HR to provide honest information to employees?
 - a. If not why not?
 - b. Do they behave ethically?

Close

Do you have any other thoughts about HR which you believe impact on your ability to carry out your role as a people manager?

Appendix 2: Pilot survey items and sources

Items for pilot survey

Source

Expectations of HR service

Individual level

I receive the support I need from HR to do my job effectively

HR policies are relevant to me and my job

HR enables me to stay informed about the terms of my employment and my rights

HR does not support my line manager effectively to support me

I know the person to go to if I need specific advice

HR puts the interests of the business above those of the individual

Developed from exploratory study

Department Level

HR does not understand the needs of managers

HR gives a better service to those individuals who are more influential in the organisation

HR understands the need to ensure people are motivated and satisfied at work

HR supports managers to develop relevant people management skills

HR works effectively with line managers

It is unclear how HR practices link together

Developed from exploratory study

Corporate level

HR provides a service to the business that adds value
HR is a necessary cost to the business

HR clearly communicates a people management strategy that is aligned to business strategy

HR clearly demonstrates the value to the business of treating people well
16 items

Trust

Individual level

I believe I am treated fairly

HR policies are applied fairly and ethically to everyone
HR practices are designed to ensure I am fairly treated

Recognition does not always go to the right people
My managers listen to what I say
I believe I will be treated fairly if I become disabled or ill

Dyer, I. and Reeves, T., 1995, Human Resource strategies and firm performance: What do we know and where do we need to go? *International Journal of Human Resource Management*, 6, pp.656-670

Rogers, E.W. and Wright, P., 1998, Measuring organizational performance in strategic human resource management research: Problems, prospects, and performance information markets, *Human Resource Management Review*, 8, pp.311–331

Developed from exploratory study

Nyhan R, Marlowe, Jr. H., 1997, Development and psychometric properties of the organizational trust inventory. *Evaluation Review*, 21(5), pp.614-635

Leventhal, G.S. , 1980, What should be done with equity theory? *New Approaches to the study of Fairness in social relationships*. In Gergen, K. Greenberg, M. and Willis, R., (Eds), *Social Exchange: Advances in theory and research*, pp.27-55, New York: Plenum Press

Developed from exploratory study

Departmental level

I do not believe HR will always give me the best advice
HR provides accurate and trustworthy information

HR challenges unfair or unethical behaviour
HR protects the rights and interests of individuals
HR does not adequately demonstrate to senior managers the value of motivated satisfied employees

Corporate level

HR balances the needs of the firm with the needs and aspirations of the workforce

HR ensures legal compliance in matters of employment and employee welfare
HR seeks to drive ethical leadership across the business where decisions about competing stakeholder needs are taken in a professional manner

HR promotes the core values of the business

I do not believe HR will take responsibility for the consequences of the advice and support they give to managers
16 items

Nyhan R, Marlowe, Jr. H., 1997, Development and psychometric properties of the organizational trust inventory. *Evaluation Review*, 21(5), pp.614-635

Developed from exploratory study

Kochan, T.A., 2004, Restoring trust in the human resource management profession, *Asia Pacific Journal of Human Resources*, 42(2), pp.132 – 146

Martin, G, and Wolding, K., 2001, Ready for the mantle? Australian human resource managers as stewards of ethics, *International Journal Of Human Resource Management*, 12(2) pp.243-255

Adapted from Becker, B.E., Huselid, M and Ulrich, D., 2001, *The HR Scorecard - linking people, strategy and performance*, Boston, Mass.: Harvard Business School Press

Developed from exploratory study

Distributive justice

The outcomes I receive in terms of recognition and reward reflect the effort I have put into my work

The outcomes I receive are appropriate for the work I have completed

My outcomes do not reflect my contribution to the organisation

My outcomes are justified given my performance

Procedural justice

I am not able to express my view over HR procedures or policies

I cannot influence the outcomes which are determined by HR procedures or policies

HR procedures and policies are applied consistently

HR procedures and policies are free of bias

HR procedures and policies are not based on accurate information

I am able to appeal the outcomes arrived at by the application of HR procedures and policies

HR procedures and policies uphold ethical and moral standards

11 items

Colquitt, J. , 2001, On the dimensionality of organizational justice: a construct validation of a measure, Journal of Applied Psychology, 86, pp.386-400

Colquitt, J. , 2001, On the dimensionality of organizational justice: a construct validation of a measure, Journal of Applied Psychology, 86, pp.386-400

Skills and Abilities

Individual level

Managers in this organisation are competent to manage their people

Nyhan R, Marlowe, Jr. H., 1997, Development and psychometric properties of the organizational trust inventory. *Evaluation Review*, 21(5), pp.614-635

HR people are less skilled in business issues than other managers
HR people have the relevant knowledge they need

Caldwell, R., 2003, The changing roles of personnel managers: Old ambiguities, new uncertainties, *Journal of Management Studies*, 40(4), pp.983–1004

HR people possess a set of professional skills, which are necessary to their role

Ulrich, D, Brockbank, W, Yeung, A, and Lake, D 1995, Human Resource Competencies: An Empirical Assessment, *Human Resource Management*, 34(4), pp.473-495

Departmental level

HR has the skills necessary to support line managers with the transactional elements of people management such as recruitment, performance management and pay structures

Ulrich, D, Brockbank, W, Yeung, A, and Lake, D 1995, Human Resource Competencies: An Empirical Assessment, *Human Resource Management*, 34(4), pp.473-495

HR has specialist knowledge, which is necessary to the business
HR does not have sufficient business knowledge to support managers
HR is a professional role that should be filled by professionally qualified people

Corporate level

HR has the necessary skills to develop a business focused people management strategy
HR does not attract people with the right qualities to deliver the service the business needs

Ulrich, D, Brockbank, W, Yeung, A, and Lake, D 1995, Human Resource Competencies: An Empirical Assessment, *Human Resource Management*, 34(4), pp.473-495

HR ensures there is consistency and clarity in communications from senior management

Adapted from Becker, B.E., Huselid, M and Ulrich, D., 2001, *The HR Scorecard - linking people, strategy and performance*, Boston, Mass.: Harvard Business School Press

HR does not understand the interests of customers and shareholders
I believe HR is aware of the people risks facing this business, for example skills needs
13 items

Developed from exploratory study

HR performance measures

Individual level

I am generally pleased with the service I get from individual HR professionals

Developed from exploratory study

I am satisfied with the work practices which determine my pay and performance
I believe my managers understands how to deliver their people management role effectively

Adapted from Warr, P. Cook, J and Wall, T. 1979, Scales for the measurement of some work attitudes and aspects of psychological well-being, *Journal of Occupational Psychology*, 52, pp.129-148

Well-being

Overall, I think my job fulfils an important purpose in my work life
Overall, I get enough time to reflect on what I do at work
Overall, I think I am reasonably satisfied with my work life
Overall, most days I feel a sense of accomplishment in what I do at work

Brunetto, Y., Farr-Wharton, R. and Shacklock, K.H., 2011, Using the Harvard HRM model to conceptualise the impact of changes to supervision upon HRM outcomes for different types of public sector employees. *International Journal of Human Resource Management*, 22(3), pp.553–573.

7 items

Departmental level

HR is effective in recruiting the right people for the job
HR is effective in ensuring the right training and development is delivered
HR is effective at ensuring line managers manage employees well
HR is effective at ensuring the right people are in the right place at the right time

Adapted from Guest, D. and Conway, N., 2011, The impact of HR practices, HR effectiveness and a 'strong HR system' on organisational outcomes: a stakeholder perspective, *The International Journal of Human Resource Management*, 22(8), pp.1686–1702

HR practices mostly achieve their intended outcome

Adapted from Purcell, J. and Hutchinson, S., 2007, Front-line managers as agents in the HRM- performance causal chain: theory, analysis and evidence, Human Resource Management Journal, 17(1), pp.3–20

Motivation

The job is like a hobby to me

I feel lucky being paid for a job I like this much

The tasks that I do at work are enjoyable

My job is meaningful

The tasks that I do at work themselves represent a driving power in my job

My job is so interesting that it is a motivation in itself

11 items

Kuvaas, B., 2008, A test of hypotheses derived from self-determination theory among public sector employees', Employee Relations, 31(1) pp.39 - 56

Corporate level

HR knows the difference between delivering an efficient and good value HR service and delivering an effective, value adding HR service

The senior team value HR and believe it enables the business to perform better

Senior HR managers are recognised as influential alongside other functional managers

HR ensure the organisation has the employee competencies and behaviour necessary to achieve business goals

HR Successfully translates business strategy into departmental aims and objectives

Individual employees can describe the HR strategy of the business

Adapted from Becker, B.E., Huselid, M and Ulrich, D., 2001, The HR Scorecard - linking people, strategy and performance, Boston, Mass.: Harvard Business School Press

People management issues are considered at the highest level

The administration aspect of HR is valued by the organisation

The knowledge of HR professionals is valued by the organisation

Developed from exploratory study

Organisational Citizenship

- I am happy to attend functions that are not required but that help my organization's image
- I keep up with developments in my organization
- I defend my organization when other employees criticize it
- I am proud to represent my organisation in public
- I am willing to offer ideas to improve the functioning of my organization
- I do not express loyalty towards my organization
- I take action to protect my organization from potential problems.
- I am not concerned about my organisation's image

17 items

Items for final data collection

Expectations of HR service

- HR does not understand the needs of managers
- HR understands the need to ensure people are motivated and satisfied at work
- HR supports managers to develop relevant people management skills
- HR works effectively with line managers
- It is unclear how HR practices link together
- HR provides a service to the business that adds value
- HR clearly demonstrates the value to the business of treating people well
- I receive the support I need from HR to do my job effectively
- HR does not support my line manager effectively to support me

9 items

Lee, K., and Allen, N.J., 2002, Organizational citizenship behavior and workplace deviance: The role of affect and cognitions, Journal of Applied Psychology, 87(1) pp.131–42

Trust in HR Practice

I believe I am treated fairly

HR practices are designed to ensure I am fairly treated

My managers listen to what I say

HR policies are applied fairly and ethically to everyone

HR protects the rights and interests of individuals

HR provides accurate and trustworthy information

I believe I will be treated fairly if I become disabled or ill

Recognition always goes to the right people

8 items

Trust in HR's ability to act within an ethical framework

HR balances the needs of the firm with the needs and aspirations of the workforce

HR seeks to drive ethical leadership across the business where decisions about competing stakeholder needs are taken in a professional manner

HR promotes the core values of the business

HR demonstrates to senior managers the value of satisfied and motivated staff

4 items

Distributive justice

The outcomes I receive in terms of recognition and reward reflect the effort I have put into my work

The outcomes I receive are appropriate for the work I have completed

My outcomes do not reflect my contribution to the organisation

My outcomes are justified given my performance

4 items

Procedural justice

I am not able to express my view over HR procedures or policies

I cannot influence the outcomes which are determined by HR procedures or policies

HR procedures and policies are applied consistently

HR procedures and policies are free of bias

HR procedures and policies are not based on accurate information

I am able to appeal the outcomes arrived at by the application of HR procedures and policies

HR procedures and policies uphold ethical and moral standards

7 items

Skills

HR Professionalism

HR professionals have the relevant knowledge they need

HR professionals possess a set of professional skills, which are necessary to their role

HR has the skills necessary to support line managers with the transactional elements of people management such as recruitment, performance management and pay structure

HR has the necessary skills to develop a business focused people management strategy

HR ensures there is consistency and clarity in communications from senior management

5 items

HR Business knowledge

HR managers are equally skilled in business issues as other managers

HR has sufficient business knowledge to support managers

HR understands the interests of customers and shareholders

3 items

HR Performance

I am generally pleased with the service I get from individual HR professionals
I am satisfied with the work practices which determine my pay and performance
I believe my managers understand how to deliver their people management role effectively
HR is effective in recruiting the right people for the job
HR is effective in ensuring the right training and development is delivered
HR is not effective at ensuring line managers manage employees well
HR is effective at ensuring the right people are in the right place at the right time
HR practices mostly do not achieve their intended outcome
HR ensure the organisation has the employee competencies and behaviour necessary to achieve business goals
People management issues are considered at the highest level
10 items

Motivation

The job is like a hobby to me
I feel lucky being paid for a job I like this much
The tasks that I do at work are enjoyable
My job is meaningful
The tasks that I do at work themselves represent a driving power in my job
My job is so interesting that it is a motivation in itself
6 items

Well-being

Overall, I think my job fulfils an important purpose in my work life
Overall, I get enough time to reflect on what I do at work
Overall, I think I am reasonably satisfied with my work life
Overall, most days I feel a sense of accomplishment in what I do at work
4 items

Organisational Citizenship

I am happy to attend functions that are not required but that help my organization's image

I keep up with developments in my organization

I defend my organization when other employees criticize it

I am proud to represent my organisation in public

I am willing to offer ideas to improve the functioning of my organization

I do not express loyalty towards my organization

I take action to protect my organization from potential problems.

I am not concerned about my organisation's image

8 items

Appendix 3: Survey Questions for Main Study

You are invited to take part in a survey investigating the contribution and management of the HR function in organisations. This survey forms part of a research project being carried out by Bournemouth University and is open to anyone who is employed in an organisation with an HR function. By taking part you will be helping us to provide some insights into how people can be managed better and how we can create fairer and more sustainable work practices.

If you have any queries you can contact me at abaron@bournemouth.ac.uk.

For complaints you can also contact our Deputy Dean (Research), Stephen Page at spage@bournemouth.ac.uk.

Best wishes and thanks for your participation.

Angela Baron

By taking part in this survey you agree that you are doing so voluntarily and understand the data collected will be used solely for research purposes and will be kept by the researcher only for the duration of the research project. Participants are also free to withdraw from the survey at any point before submission of the completed survey.

Question	Response
Which of the following best describes your employment status?	1, Full time permanent member of staff, 2, Part time permanent member of staff, 3, Other. Note: only those responding as permanent employees were selected to complete the survey
Is your employment based in the United Kingdom?	Only those answering yes were selected to complete the survey
Which of the following best describes the HR function in your organization?	1, An in-house function delivered by professionally qualified staff, 2, An in-house function delivered by unqualified staff, 3, A combination of an in-house function and shared service centre. 4, A partly outsourced function (where some services such as payroll or training are delivered by a third party), 5, A wholly outsourced function. 6, Other.
In which sector are you currently employed	1, Public sector (non NHS), 2, Not for profit, 3, Private sector service, 4, private sector manufacturing, 5, NHS, 6, Other.
How many people does your organisation currently employ?	1, Less than 100, 2, Between 100 and 299, 3, Between 300 and 4,999, 4, Between 5,000 and 9,999, 5, More than 10,000
What is your gender?	1, Male, 2, Female
What is your age?	1, Under 25, 2, 25 to 40, 3, 40 to 60, 5, over 60

What is your highest qualification attained?	1, no qualifications, 2, GCSE, 3, A professional level 3 qualification, 4, A level, 5, A professional level 5 qualification, 6, Undergraduate degree, 7, Postgraduate or professional level 7 qualification
Do you manage anyone?	Yes or No
If yes, how many individuals do you have line management responsibility for?	1, 1 to 5, 2, 5 to 10, 3, more than 10
How long have you worked for your current organisation?	1, less than one year, 2, more than one year but less than 5 years, 3, more than five years but less than 10 years, 4, more than 10 years
HR does not understand the needs of managers	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR understands the need to ensure people are motivated and satisfied at work	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR supports managers to develop relevant people management skills	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR works effectively with line managers	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
It is unclear how HR practices link together	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR provides a service to the business that adds value	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR clearly demonstrates the value to the business of treating people well	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I receive the support I need from HR to do my job effectively	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR does not support my line manager effectively to support me	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I believe I am treated fairly	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR practices are designed to ensure I am fairly treated	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
My managers listen to what I say	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree

HR policies are applied fairly and ethically to everyone	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR protects the rights and interests of individuals	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR provides accurate and trustworthy information	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I believe I will be treated fairly if I become disabled or ill	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
Recognition always goes to the right people	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR balances the needs of the firm with the needs and aspirations of the workforce	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR seeks to drive ethical leadership across the business where decisions about competing stakeholder needs are taken in a professional manner	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR promotes the core values of the business	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR demonstrates to senior managers the value of satisfied and motivated staff	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
The outcomes I receive in terms of recognition and reward reflect the effort I have put into my work	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
The outcomes I receive are appropriate for the work I have completed	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
My outcomes do not reflect my contribution to the organisation	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
My outcomes are justified given my performance	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am not able to express my view over HR procedures or policies	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I cannot influence the outcomes which are determined by HR procedures or policies	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR procedures and policies are applied consistently	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree

HR procedures and policies are free of bias	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR procedures and policies are not based on accurate information	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am able to appeal the outcomes arrived at by the application of HR procedures and policies	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR procedures and policies uphold ethical and moral standards	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR professionals have the relevant knowledge they need	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR professionals possess a set of professional skills, which are necessary to their role	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR has the skills necessary to support line managers with the transactional elements of people management such as recruitment, performance management and pay structures	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR has the necessary skills to develop a business focused people management strategy	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR ensures there is consistency and clarity in communications from senior management	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR managers are equally skilled in business issues as other managers	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR has sufficient business knowledge to support managers	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR understands the interests of customers and shareholders	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am generally pleased with the service I get from individual HR professionals	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am satisfied with the work practices which determine my pay and performance	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I believe my managers understand how to deliver their people management role effectively	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR is effective in recruiting the right people for the job	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR is effective in ensuring the right training and development is delivered	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree

HR is not effective at ensuring line managers manage employees well	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR is effective at ensuring the right people are in the right place at the right time	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR practices mostly do not achieve their intended outcome	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
HR ensure the organisation has the employee competencies and behaviour necessary to achieve business goals	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
People management issues are considered at the highest level	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
The job is like a hobby to me	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I feel lucky being paid for a job I like this much	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
The tasks that I do at work are enjoyable	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
My job is meaningful	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
The tasks that I do at work themselves represent a driving power in my job	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
My job is so interesting that it is a motivation in itself	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
Overall, I think my job fulfils an important purpose in my work life	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
Overall, I get enough time to reflect on what I do at work	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
Overall, I think I am reasonably satisfied with my work life	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
Overall, most days I feel a sense of accomplishment in what I do at work	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am happy to attend functions that are not required but that help my organization's image	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I keep up with developments in my organization	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree

I defend my organization when other employees criticize it	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am proud to represent my organisation in public	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am willing to offer ideas to improve the functioning of my organization	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I do not express loyalty towards my organization	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I take action to protect my organization from potential problems	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
I am not concerned about my organisation's image	1, strongly agree, 2, agree, 3, neither agree nor disagree, 4, disagree, 5, strongly disagree
Do you believe HR adds value to the organisation?	1, Definitely yes, 2, Probably yes, 3, Probably no, 4, Definitely no
If no.. Why does HR not add value? (Please tick all answers that apply)	HR is irrelevant and not necessary for organisations to be effective HR is not engaged with business issues HR polices and practices are not helpful for managers or employees Other (please specify)
If yes.. Why does HR not add value? (Please tick all answers that apply)	By ensuring workers are well managed By contributing to the achievement of business objectives By ensuring there are standardised policies and procedures to recruit, train and manage people By ensuring all the administration aspects of people management such as payroll and record keeping are done as efficiently and cost effectively as possible By contributing to the development of the organisation's strategy Other (please specify)
Please use the box below if you have any other comments you would like to add about your experience of HR	

Appendix 4: Control variable descriptive statistics and frequencies

Variable	Frequency	Per cent
Employment status		
Full time permanent member of staff	358	76.5
Part time permanent member of staff	86	17.9
Self employed contractor	11	2.4
Fixed term contract	5	1.1
Temporary contract	5	1.1
Other	3	1.1
HR Delivery Model		
An in-house function delivered by professionally qualified staff	302	64.1
An in-house function delivered by people with no HR qualifications	56	11.5
A wholly out-sourced function	33	7.1
A combination of an in-house function and an outsourced shared service centre	72	15.4
Other	5	1.9
Sector		
Public sector non NHS	117	25.0
Not for profit	38	8.1
Private sector service	219	46.8
Private sector manufacturing	42	9.0
NHS	33	7.1
Other	19	4.1
Size		
Less than 100	76	16.2
Between 100 and 299	105	22.4
Between 300 and 4,999	169	36.1
Between 5,000 and 9,999	42	9.0
More than 10,000	76	16.2
Gender		
Male	198	42.3
Female	270	57.7
Age		
20-25	78	16.7
25-29	27	5.8
30-34	77	16.5
35-39	73	15.6
40-44	55	11.8
45-49	52	11.1
50-54	51	10.9
Over 55	53	11.3
Under 20	2	0.4
Education Level		
GCSE	54	11.5
A level	85	18.2
A professional or technical qualification	80	17.1
Undergraduate degree or equivalent	145	31.0
Postgraduate degree or equivalent	104	22.2
Line Management Responsibility		
Yes	308	65.8
No	160	34.2
Tenure		
Less than one year	57	12.2
More than one year but less than 5 years	167	35.7
More than 5 years but less than 10 years	109	23.3
More than 10 years	135	28.8

Appendix 5: Descriptive statistics for sub-scales of expectations of HR, trust, skills, and HR performance taken from main study data (n=468)

1. Descriptive statistics for each HR reputation factor identified after Exploratory Factor Analysis

	Mean	Std. Deviation
Expectations	2.58	.697
Trust F1	2.34	.762
Trust F2	2.45	.813
Trust F3	2.74	.748
Trust F4	2.77	.630
Skills F1	2.39	.771
Skills F2	2.58	.890
Performance F1	2.63	.657
Performance F2	2.46	.891
Performance F3	2.66	.838
Performance F4	2.42	.839
Performance F5	2.37	.610

The following are the descriptive statistics for each survey item relating the the scale of HR reputation in the main study survey

1. Expectations of HR service

Expectations of HR Service	Mean	Std. Deviation	Variance
HR understands the need to ensure people are motivated and satisfied at work	2.34	.901	.812
HR supports managers to develop relevant people management skills	2.44	.918	.843
HR works effectively with line managers	2.43	.905	.819
HR provides a service to the business that adds value	2.39	.920	.847
HR clearly demonstrates the value to the business of treating people well	2.40	.953	.909
I receive the support I need from HR to do my job effectively	2.50	1.025	1.051
HR does not understand the needs of managers	2.99	1.047	1.096
HR does not support my line manager effectively to support me	2.76	1.031	1.064
It is unclear how HR practices link together	2.99	1.002	1.004

2. Trust

Trust in HR	Mean	Std. Deviation	Variance
I believe I am treated fairly	2.13	.929	.863
HR practices are designed to ensure I am fairly treated	2.17	.805	.647
My managers listen to what I say	2.29	.964	.929
HR policies are applied fairly and ethically to everyone	2.36	.960	.921
HR protects the rights and interests of individuals	2.34	.947	.896
HR provides accurate and trustworthy information	2.37	.914	.836
I believe I will be treated fairly if I become disabled or ill	2.27	.971	.942
Recognition always goes to the right people	2.83	1.108	1.227

Trust in HR's ability to act in an ethical framework	Mean	Std. Deviation	Variance
HR balances the needs of the firm with the needs and aspirations of the workforce	2.42	.939	.882
HR seeks to drive ethical leadership across the business where decisions about competing stakeholder needs are taken in a professional manner	2.45	.939	.882
HR promotes the core values of the business	2.41	.911	.830
HR demonstrates to senior managers the value of satisfied and motivated staff	2.50	.981	.961

3. Skills

HR Skills	Mean	Std. Deviation	Variance
HR professionals have the relevant knowledge they need	2.30	.909	.826
HR professionals possess a set of professional skills, which are necessary to their role	2.29	.854	.729
HR has the skills necessary to support line managers with the transactional elements of people management such as recruitment, performance management and pay structures	2.31	.881	.777
HR has the necessary skills to develop a business focused people management strategy	2.49	.920	.846
HR ensures there is consistency and clarity in communications from senior management	2.54	.971	.943

HR Business knowledge	Mean	Std. Deviation	Variance
	HR managers are equally skilled in business issues as other managers	2.64	1.013
HR has sufficient business knowledge to support managers	2.53	.980	.960
HR understands the interests of customers and shareholders	2.56	.956	.915

4. HR Performance

HR Effectiveness	Mean	Std. Deviation	Variance
	I am generally pleased with the service I get from individual HR professionals	2.34	.950
I am satisfied with the work practices which determine my pay and performance	2.49	.989	.978
I believe my managers understand how to deliver their people management role effectively	2.43	.967	.936
HR is effective in recruiting the right people for the job	2.50	.961	.923
HR is effective in ensuring the right training and development is delivered	2.49	.967	.936
HR is effective at ensuring the right people are in the right place at the right time	2.63	.940	.884
HR ensure the organisation has the employee competencies and behaviour necessary to achieve business goals	2.51	.877	.769
People management issues are considered at the highest level	2.54	.975	.951

Individual satisfaction with HR practices	Mean	Std. Deviation	Variance
I am satisfied with the work practices which determine my pay and performance	2.49	.989	.978
I believe my managers understand how to deliver their people management role effectively	2.43	.967	.936