

THE EFFECTIVENESS OF A HUMAN RESOURCES FUNCTION WITHIN A
PUBLIC UTILITY

by

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DECLARATION

I, the undersigned, hereby declare that this dissertation titled, "The effectiveness of a human resources function within a public utility", is my own work and that all the sources that I have used or quoted have been indicated and acknowledged by means of complete references.

Gerrit Walters

Date

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ABSTRACT

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Midst contextual themes of new technologies and globalisation, South African organisations are challenged to attract, develop and retain suitable skills in a labour market that will continue to suffer shortages. The HR function of today is required to partner with organisations at a strategic level in response to this challenge. Successful organisations understand that transforming the HR function require regular in-depth analyses of its effectiveness.

The study aimed to assess the effectiveness of an HR function operating in a public utility, against current trends in HR transition. Different evaluation methodologies are explored to develop a theoretical evaluation model for the effectiveness of a HR function.

The results confirmed that the HR function is not effective in its role as strategic partner, and highlights significant differences in perception between the stakeholders and the HR function regarding its effectiveness. Recommendations were made on future transformation actions for the specific HR function.

KEY TERMS

HR functions, effectiveness, strategic partner, administration expert, employee champion, change agent, evaluation methodologies, HR architecture, participatory evaluation model, evaluation criteria.

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CHAPTER 1

INTRODUCTION

This dissertation deals with an evaluation of the effectiveness of a human resources function within a business unit of a public utility. The mentioned human resources function reports operationally within the business unit but with functional direction from a national human resources head office. The business unit in the public utility is known as the Southern Region.

In Chapter 1 the background to the research, the problem statement, research aims, research design, and research method are discussed, followed by the classification of chapters.

1.1 BACKGROUND TO THE RESEARCH

Contextual themes such as new technologies, an evolving world order, and emerging value systems, are transforming the nature of society and the economy (Meyer, 2004). Computer and communication technologies transcend national boundaries, introducing global standards of service, quality, and cost at organisational level, and demand continuous learning and unlearning at individual level. The macro geopolitical face of the world is changing, and global values such as corporate governance and corporate citizenship are impacting most strongly on business. It is within this context of a changing global landscape, that Meyer (2004) asked questions regarding the roles and responsibilities of human resources (HR) functions into the future.

Since the first democratic elections, the South African context of reintegration into the international arena has become just as dynamic and challenging. The transformation process, which started in 1994, has placed new demands on business sectors with specific reference to people management (Bendix, 1997). South Africa's transition into becoming an economic global player has necessitated organisations to change former strategic objectives and operational practices to ensure success and competitiveness (Bendix, 1997; Bennett & Minty, 1999). The change in political dispensation has also brought about a change in legislation, which has placed further demands on the people-management practices of South African organisations. The Labour Relations Act, No 66 (1995) is but one example. The outcome has been a change in the working environment from an autocratic, one-sided managerial approach to a democratic working environment, where employees can participate in decision-making and organised labour participates as an important role-player (Bendix, 1997; Dumisa, 1998; Van der Walt, 1998).

According to Furnham (2000), other challenges being faced by organisations are increased competition and the need for greater speed on delivery, the temporary nature of the workforce, a demand for better quality skills, and the increasing concern with the psychological quality and social meaningfulness of work. Organisations are under pressure to develop and integrate a conceptual model for alternative working arrangements.

Boninelli (2004) highlighted the need of South African organisations to attract, manage, develop, and retain suitable skills in a labour market that will continue to suffer shortages in many sectors. She further stated that changes in union relationships, business models, and strategic priorities, would require ongoing change management and human resources initiatives that are both proactive and effective.

Within the macro context of continuous change, the world of work is also placing more demands than before on both employers and employees. With specific reference to the demands placed on employees within the new world of work, Furnham (2000) highlighted the need for employees to acquire a new set of skills (abstract thinking, understanding of organisational systems, ability to deal with change), and to take responsibility for their own career planning. This occurs, according to Ulrich (1997) within an environment where job security no longer exists.

Ulrich (1997) further highlighted the drive employees have to become more involved in decision-making, transparency, and an inclination to re-evaluate their loyalty and commitment towards organisations. It is against this background of a changing world of work that an evaluation of the role of human resources (HR) functions, HR policies and practises, and the HR professional, appeared to be of importance. Various authors have highlighted the resurgence of interest in the domain of people-management skills, and the role that HR as a function can play in the organisation (Boninelli, 2004; Fitz-enz & Davison, 2002; Ulrich, 1997).

Kesler (1995) noted that an evaluation of the HR function would assist in redesigning the HR function's role in line with top management's expectations, development of new HR competencies, and the redesign of HR products and systems. Pfau and Kay (2002) supported this view and stated that evaluation is the key through which the HR function has to gain insight into the perceptions of line managers, and to obtain feedback on current performance. This would then place the HR function in a position to elevate its own profile and to focus on the roles that add value to the organisation.

The benefit of conducting such an assessment, according to Becker, Huselid and Ulrich (2001) is that the HR function can (1) assess the overall effectiveness of HR functions, (2) compare the HR and line manager's

(customer's) perceptions of the HR function, and (3) identify competency gaps of HR professionals.

1.2 PROBLEM STATEMENT

Most executives would insist that the management of their human resources is a chief priority for their organisation. However, according to Pfau and Kay (2002), many of the same executives maintain a narrow view of the HR function and HR professionals themselves. Stereotypes still exist today, and the perception is that HR functions are overstaffed, reactive, and staffed by rule followers who insist on operating only within the parameters of policies and procedures.

The development of the topic of human resources management is well documented in literature (Brewster, Dowling, Grobler, Holland & Wörnich, 2000; Carrell, Elbert, Hatfield, Grobler, Marx & Van der Schyf, 1998; Cascio, 1998; Fitz-enz & Davison, 2002). However, the focus of debates relating to human resources management is constantly changing, resulting in the evolution of both academic theory and organisational expectations. It highlights the need for a growing proactive nature of the HR function, its crucial importance to the success of organisations, and the possibility of change in the HR function. The transition will be from being reactive and prescriptive, to being proactive, descriptive, and executive (Budhwar, 2000). Beer (1997) wrote that competition, globalisation, and continuous change in markets and technology, are the primary reasons for the transformation of human resources management.

As far back as the early seventies Foulkes (1975) called for companies to contract new social and individual values in the workplace and highlighted the need for the HR function (personnel departments) to be more proactive, progressive, and worthy of respect.

Evidence exists in literature that HR functions have indeed reacted to the call for change (Beer, 1997; Cascio, 1998; Hiltrop, 1996). Cascio (1998) identified various phases in the recent transformation of the HR functions, and noted the transition from keeping up-to-date personnel records to that of strategic partnership.

Ulrich (1997) developed a multi-role model for human resources management as a blueprint for HR professionals in order to make the required business partnership a reality. In this multi-role model, Ulrich (1997) indicated that HR professionals must learn to be both strategic and operational, focusing on the short and the long term. The HR function and the HR professional of today need to be proficient in four principle HR roles. These roles are the following:

- Management of strategic human resources (strategic partner).
- Management of organisational infrastructure (administrative expert).
- Management of employee contribution (employee champion).
- Management of transformation and change (change agent).

Boninelli (2004), in her discussion of the HR function's positioning in the future, supported Ulrich's model of moving the balance of the HR professional's work from being transactional and administrative to being strategic. According to Boninelli (2004) the new model of HR will require fewer HR professionals but with a different set of competencies. The new set of competencies will include having in-depth knowledge and skills across the full spectrum of HR disciplines, the ability to manage alliances or outsourced partners, improved business acumen, and the ability to support change initiatives.

However, the transformation of the HR function faces many obstacles. Perhaps the most formidable of these obstacles, according to Beer (1997), is

the capability of the majority of HR professionals. In most companies, the traditional HR role and the rewards that typically go with that role, make it difficult to attract professionals with the required talent. This view is supported by Fitz-enz and Davison (2002), however, they predicted hope for the future with the new breed of HR professionals that is emerging. The new breed is focused on participating in business sustainability, on making a positive contribution, on personal growth, and on gaining wealth.

The second obstacle in this transformation process, according to Beer (1997) is top management itself. It seems that either top management does not understand what a more strategic HR function entails, or still judges the function by its effectiveness to deliver administrative services and to keep the organisation out of trouble.

Pfau and Kay (2002) showed support for a slower but systematic transformation process for the HR function. It means that HR functions and HR professionals must first establish credibility through seamless performance of their basic operations before moving into more strategic areas. The first step for HR functions is to assess their own effectiveness. This means taking stock and asking serious questions around aspects such as their vision, strategy and alignment with the overall organisational business plan; allocation of time and money; current functions, policies and products; level of customer satisfaction; comparison with industry benchmarks; structure, and available competencies.

Pfau and Kay (2002) also indicated that in most cases the HR function does not know when, where and how to start the transformation process. It is the researcher's view that this is due to the absence of an integrated model that describes the dimensions of effectiveness for an HR function.

In the business unit of the public utility where the research was conducted, the HR function had been restructured several times since 1994, with a view of becoming a more strategic business partner. These changes happened in isolation, without input or feedback from key stakeholders. No previous evaluation had been conducted on the effectiveness of the HR function. Therefore, the key is to assess the general effectiveness of the HR function within one business unit of a public utility, from an internal customer's perspective.

The endeavour of the research was to answer the following research questions:

- Can the dimensions of an effective HR function be analysed and can an integrated model of effectiveness be developed?
- Can different evaluation methodologies be analysed and can a theoretical evaluation model for the evaluation of an HR function be developed?
- Can a quantitative and qualitative evaluation of the effectiveness of an HR function be done?
- Can conclusions and recommendations be made based on the evaluation to enhance the effectiveness of the HR function?

1.3 RESEARCH AIMS

The research consists of a general aim as well as specific aims. These will now be discussed in detail.

1.3.1 General aim

The general aim of the research was to evaluate the effectiveness of the HR function in a business unit of a public utility, compared to current trends in HR transition, as described in the literature.

1.3.2 Specific aims

The specific aims consist of theoretical and empirical aims. Both these will now be discussed.

1.3.2.1 The specific theoretical aims of the research were:

- To analyse the latest trends and developments in HR functions provided by relevant literature, in order to conceptualise an effectiveness model.
- To analyse and explore different evaluation methodologies in order to develop a theoretical evaluation model for the evaluation of an HR function.

1.3.2.2 The specific empirical aims of the research were:

- To design and execute a quantitative and qualitative evaluation of the effectiveness of an HR function in a business unit of a public utility.
- To draw conclusions from the evaluation and to make recommendations regarding the effectiveness of the mentioned HR function.

1.4 RESEARCH PARADIGM

The paradigm is discussed in terms of the market of intellectual resources, a disciplinary framework, and relevant theories and models.

1.4.1 Market of intellectual resources

Thematically the research focused on dimensions of effectiveness of an HR function and the evaluation thereof. The research was done from a systems theory perspective.

A system can be viewed as a number of interdependent components that form a whole and work together with a view to attaining a common goal. According to Van Dyk (2001), an organisation as an open system, implies that (1) it is continuously in interaction with its environment, (2) there are multiple interactions between the organisation and its environment, (3) the organisation consists of a number of sub-systems (in this context line departments, organisational strategy, and the HR function) in a state of dynamic interaction, and (4) change in one subsystem is followed by change in other subsystems (change in organisational strategic direction and the HR function's support of that directional change).

Empirically the study was done primarily from a functionalistic perspective. The functionalistic perspective holds, according to Morgan (1980), the assumption that society has a tangible, real existence, and a systematic character with a preference to produce an ordered and regulated state of affairs. The functionalistic perspective is characterised by the view that organisations and their members may adjust behaviour for the achievement of future goals, that organisations and members interact in a defined context, and that society may be understood through empirical knowledge.

1.4.2 Theoretical framework

The present research was done within the disciplinary field of industrial and organisational psychology. Industrial and organisational psychology (I/O psychology), according to Campbell (1999) is concerned with the application of psychological theory to understand the behaviour of people in the workplace. According to Muchinsky, Kriek and Schreuder (1998), such a study of the behaviour of people in the workplace implies (1) scientific observation, (2) evaluation, (3) optimal utilisation (selection, placement), and (4) influencing (changing, motivating).

The research was explored further within the subfields of personnel psychology and organisational development. Personnel psychology is defined by Muchinsky, Kriek and Schreuder (1998) as “an applied discipline that focuses on individual differences in behaviour and job performance and on methods of measuring and predicting such performance” (p. 4).

Various definitions of organisational development exist in the literature, with overlapping concepts amongst them. Cummings and Worley (1993) defined organisational development as “a system wide application of behavioural science knowledge to the planned development and reinforcement of organisational strategies, structures, and processes for improving an organisation’s effectiveness” (p. 2).

A study of the effectiveness of an HR function falls within the field of I/O psychology, personnel psychology, and organisational development. Boninelli (2004) described the role of the HR function as dealing with people-related behaviour that is critical to organisational success, and the positioning of such behaviour or problems within the broader context of the organisation as a system.

The research was also done within the multi-disciplinary field of evaluation. In evaluation research, methods of social science can be used to assess the usefulness or effectiveness of social interventions (Bless & Higson-Smith, 1995). The study on the effectiveness of an HR function could benefit from evaluation research in so far as evaluation can be used as a *diagnostic tool*, to identify neglected areas of need, neglected stakeholders and specific problems pertaining to the delivery of products, to mention but a few. From a *formative* perspective, evaluation could further assist by shaping the mentioned HR function so that it would have the greatest beneficial impact upon its target community.

1.4.3 Theories and models

The theories and models that were used with regard to the dimensions of effectiveness of an HR function included:

- The multi-role model for HR functions as developed by Ulrich (1997). This model indicates that HR professionals will be successful in the effective integration of the four principle roles, namely strategic partner, administrative expert, employee champion, and change agent.
- The HR architecture as a strategic asset. This theory affirms that the foundation of a strategic HR role encompasses three dimensions in the HR architecture, namely the HR function, the HR system, and employee behaviours (Becker, Huselid & Ulrich; 2001).

The following theories and models regarding evaluation methodology were used in this research:

- The participatory evaluation model, which focuses on the engagement of programme staff, clients, and other stakeholders in the evaluation process. (Davidson, 2005; Uzzell, 1995).
- An evaluation model developed by Koortzen and Baloyi (2004a, 2004b) was used as the foundation of this evaluation. The model provides a structured approach to the evaluation of wellness programmes. It consists of nine distinguishable phases with specific tasks that the evaluator needs to identify, plan, design, or develop per phase.

1.4.4 Constructs

The main constructs that feature in this research, namely strategic human resources management, human resources function, and human resources

professional, are defined as part of the literature study. It is, however, important to clarify the construct of effectiveness at this point in time.

1.4.4.1 Effectiveness of HR functions

The literature can be divided into different categories with reference to evaluation of the effectiveness of HR functions. In the first category, the effectiveness of HR functions is evaluated in terms of relative productiveness and cost-effectiveness. The focus is on generating a meaningful set of measures, such as employee turnover, absenteeism, health and safety records, and employee attitude, which can be tracked over time. These criteria are then used to evaluate the effectiveness of the HR function in terms of performance and cost (Stone, 2005).

In the second category, the effectiveness of HR functions is evaluated in terms of the value that it adds to business performance. Benchmarking studies such as the PWC consulting group studies, the Saratoga human capital performance studies and the Watson Wyatt human capital index studies are examples of this approach (Naves, 2002). These studies focused on value-adding HR practices such as HR staffing, cost and remuneration, absence and retention, recruitment, and training and development.

For the present study, the effectiveness of the HR function was not evaluated with regards to specific measures or benchmarking criteria, but rather in terms of internal customer or stakeholder expectations. The effectiveness of the HR function was evaluated with regards to its ability to meet stakeholder expectations. Stakeholder expectations are grounded in the latest trends in HR transition as per the available literature (Boninelli, 2004; Pfau & Kay, 2002; Ulrich, 1997).

1.5 RESEARCH DESIGN

A research design is a strategic framework for action with the objective to be a link between the research questions and the execution or implementation of the research, in such a way that the internal and external reliability of the research results can be improved (Mouton & Marais, 1992; Terre Blanche & Durrheim, 1999).

Evaluation research was used in this study on the effectiveness of an HR function, and specifically the participatory evaluation model. Rossi and Freeman (1998) defined programme evaluation as a process in which social research procedures are systematically used to investigate the effectiveness of social intervention programmes. In line with this definition, Scriven (1998) highlighted the systematic nature of programme evaluation to investigate the merit, worth, or significance of a social programme. According to Potter (1999), the term social programme means any kind of organised endeavour, covering the spectrum from industrial companies to political movements.

In a review of the latest trends in programme evaluation, Koortzen and Baloyi (2004a, 2004b) noted the use of the participatory evaluation approach in the more recent work of researchers. The participatory evaluation model differs from the traditional evaluation model in so far as the use of an external objective observer is replaced by the engagement of programme staff, clients, and other stakeholders in the evaluation process. Although the objectiveness of this approach may be less than in terms of the scientific paradigm of other models, Koortzen and Baloyi (2004a, 2004b) viewed the benefit of this approach as one of improved analytical capacity that may lead to the utilisation of the results to improve the programme.

Relevant to this research, the effectiveness of the HR function was evaluated by involving the researcher, as a member of the mentioned HR function, and

representatives from all the relevant stakeholder groups. These stakeholders included the HR management team, regional executive members, HR employees, and other employees.

1.5.1 Operationalisation of the research aims

The research was evaluative by nature with an aim to conceptualise, in an empirical study, an effectiveness model for HR functions and then to evaluate the effectiveness of a specific HR function against that model. The researcher had to make various decisions in the planning and execution of the research aims.

It was firstly necessary to study transformation in the broader field of human resources management, including changes in the world of work as well as changes in relevant legislation, in order to describe and analyse the current trends, developments, and demands that are impacting on HR functions. This study resulted in the description and analysis of various academic viewpoints and relevant models that endeavour to direct the effective functioning of HR functions, mostly in terms of products, services, roles, and competence requirements of HR professionals.

The researcher decided to use the multi-role model for human resources development developed by Ulrich (1997), as the basis of description and analysis. Ulrich's model describes four principle roles in which HR functions need to be proficient. This specific model was chosen as it is widely recognised as a blueprint for HR functions and HR professionals. The researcher then integrated the information in a conceptual model of effectiveness for HR functions. This model is presented in Chapter 2.

The research further entailed a study of the field of evaluation research, including evaluation models that could serve as a suitable evaluation model

for the effectiveness of an HR function. The researcher decided to use the evaluation model developed by Koortzen and Baloyi (2004a, 2004b), mainly due to the participative nature of the model and practical structured application process. The model by Koortzen and Baloyi (2004a, 2004b) was predominantly used for the evaluation of employee assistance programmes and was used by the researcher to develop a theoretical evaluation model for the evaluation of HR functions. This model is presented in Chapter 3. The mentioned model was used for the operationalisation of the evaluation of a specific HR function.

The empirical study included the design and execution of a quantitative and qualitative evaluation of the effectiveness of an HR function, operating within a business unit of a public utility. The researcher developed an evaluation questionnaire, based on the theoretical effectiveness model as presented in Chapter 2. The questionnaire served to gather both quantitative and qualitative data and included four evaluation questions. Each evaluation question included three distinct evaluation criteria, namely goals, process, and competence. The reliability of the questionnaire was not known at the time of data collection but was confirmed during the statistical analyses, by calculating the Cronbach alpha coefficient.

Both the effectiveness model and the evaluation questionnaire were influenced by relevant stakeholders in the business unit of the public utility, before data collection. This was to ensure that most stakeholder-information needs were addressed. The questionnaire was completed by relevant stakeholder groupings within the business unit.

The effectiveness of the HR function was determined, per evaluation questions, through the statistical analysis of the quantitative data and the integration of the qualitative themes. The statistical analysis included mean scores per evaluation questions, and t-tests regarding the comparison

between stakeholder groupings. This information was used to provide recommendations to the relevant stakeholders on enhancing the effectiveness of the HR function.

1.5.2 Sample

The sample strategies for the qualitative and quantitative studies were the same. The same population was targeted for the quantitative and the qualitative study. The HR professionals (N=43) employed by the HR function within the business unit of the public utility formed the first research population. The managers, supervisors, and employees with Paterson job grading C3 to D4 in the public utility (N=620) formed the second research population. The sample for the research included 100% of the mentioned populations.

1.5.3 Research reliability and validity

The research strategy would ensure both validity (accuracy) and reliability (consistency) of the study. Reliability, according to Durrheim (1999), refers to the degree to which results are consistent and repeatable, and applies to both measurement reliability (scores obtained from the measuring instruments), and to the end result, namely the outcomes of the study as a whole. From an interpretive and constructionist research perspective, the view is that findings should be dependable, meaning that the reader must be convinced that the findings indeed occurred as reported by the researcher. Durheim (1999) views validity in its broadest sense as the degree to which the end results or research conclusions are sound or credible. Depending on the nature of the research question, the emphasis will be on either internal validity (causal conclusions) or external validity (representativeness and generalisability).

For this specific research the validity and reliability of the literature study were to be improved by (1) giving conceptual descriptions of concepts that were relevant to this research, and (2) collecting the most recent literature of an accredited nature by means of a standardised and systematic procedure.

Validity and reliability of the empirical study were to be improved by (1) developing a measurement instrument that would predict high levels of internal and external face value as well as consistency, (2) accurate recording and analysis of the qualitative and quantitative data, (3) valid and reliable interpretation of statistical analysis, and (4) the sampling philosophy (statistical and practical significance).

1.5.4 Ethical responsibility in the research

To demonstrate ethical responsibility in research, this specific research was conducted within the broadly agreed-upon norms of ethical research. This is applicable to both the literature and the empirical study. Bless and Higson-Smith (1995) pointed out that the general aspect of the ethical rights of a participant is the right to privacy, voluntary participation, anonymity, and confidentiality.

Participation in this specific research was voluntary and participants had the option to refuse to divulge personal information. The process of administering the questionnaire ensured anonymity. Trained human resources professionals did the administration of the evaluation questionnaires and information was strictly controlled.

Following a request from senior management, research data was solely used for research purposes and no information was to be made public without prior consent, hence ensuring confidentiality. A final report was to be made available to the organisation for perusal.

The necessary authorisation for the research was obtained from the public utility's head office, with the understanding that the utility's name would not be mentioned. Reference is therefore only made to an HR function, operational within a business unit of a public utility.

Lastly, in the present study, literature study consulted has been acknowledged and referenced. Literature citing has taken place without creating an opportunity for plagiarism.

1.6 RESEARCH METHODOLOGY

The research consisted of two phases, which will be discussed in detail.

1.6.1 Phase 1: Literature study

Phase 1 consisted of two steps.

1.6.1.1 The study and analyses of current trends in HR transformation.

The focus was to analyse current trends in the field of human resources, with specific focus on transition that HR functions and professionals have to make. The result was the establishment of a model that integrated the various dimensions of an effective HR function. This integrated model included aspects such as roles, structure, and products of an effective HR function. The required competency profile of the HR professional was also analysed. Special emphasis was placed on the South African context.

1.6.1.2 Evaluation methodology and the development of an evaluation model for the evaluation of an HR function.

The focus was to analyse, explore, and determine suitable evaluation methodology for the evaluation of the HR function, and then to develop a

theoretical evaluation model to be used in the evaluation of the effectiveness of an HR function.

1.6.2 Phase 2: Empirical study: Quantitative and qualitative analysis

Phase 2 of this research focused on both a quantitative and qualitative analysis of the effectiveness of the HR function, operating within a business unit of a public utility, and consisted of five steps.

1.6.2.1 Development of a measuring instrument

An evaluation questionnaire was developed, based on the integrated effectiveness model for HR functions, and used as the basis for the quantitative and quantitative study. The questionnaire incorporated the various evaluation questions per stakeholder grouping as well as the evaluation criteria per evaluation dimension. A specific procedure for scoring and interpreting the questionnaire results was developed.

1.6.2.2 Data collection

Members of the evaluation team (professional HR practitioners) facilitated the completion of the questionnaire. The target population was invited to attend various group sessions where completion of the questionnaire was administrated. During these sessions the background and purpose of the research were explained and confidentiality and anonymity were guaranteed. The participants then had the opportunity to complete the questionnaire. The questionnaire further facilitated the capturing of qualitative data in that it allowed for comments or inputs to be captured under each individual question. Opportunity to provide overall comments per evaluation question was also provided. The evaluation team members were on hand to further capture general comments from the participants. The method of facilitated completion of the questionnaire enhanced the capturing of qualitative data.

1.6.2.3 Data processing

Descriptive statistics were used to analyse the data. Data were analysed in terms of the following:

- The overall effectiveness of the HR function.
- The effectiveness of the HR function per evaluation question (roles that the HR function needs to play).
- The effectiveness of the HR function per evaluation dimension (goals, process, and competence).
- A comparison of the difference in perception between line managers and HR functionaries regarding the effectiveness of the HR function.

During the data-collection phase the researcher ensured preliminary understanding of the meaning of the qualitative data. The researcher then induced themes through a bottom-up approach, by organising the data according to the natural principles underlying the material. The quantitative and qualitative data were then integrated.

1.6.2.4 Results

During this phase all the results were tabulated, quantitative and qualitative results integrated, and brought into context with the literature.

1.6.2.5 Conclusion, recommendations and limitations

Conclusions were in line with the set aims of the research and limitations of the research were discussed in detail. Recommendations on how to improve the effectiveness of the HR function were made.

1.7 CHAPTER SUMMARY

In Chapter 1 the background to the research, problem statement and research aims were discussed. The general aim of the research is to evaluate the effectiveness of the HR function in a business unit of a public utility. Evaluative research with specific emphasis on the participatory evaluation model was discussed as selected research design. The two phases of the research methodology, namely a literature study and an empirical study were discussed in detail.

1.8 CLASSIFICATION OF CHAPTERS

Chapter 2: Current trends in HR transformation

Chapter 3: Evaluation methodology

Chapter 4: Research design and methodology

Chapter 5: Results

Chapter 6: Conclusions, recommendations and limitations

CHAPTER 2

CURRENT TRENDS IN HR TRANSFORMATION

Chapter 1 highlighted the resurgence of interest in the domain of people management and specifically the need for human resources (HR) functions and HR professionals to transform in line with the changing world of work. Attention was also given to the general and specific aims of this study and the research design.

The specific aim of Chapter 2 is to analyse the latest trends and developments in HR functions from the relevant literature, in order to conceptualise an effectiveness model. The chapter starts with the clarification of relevant concepts in the field of human resources.

2.1 CLARIFICATION OF CONCEPTS

The field of human resources has shaped a number of terminologies of which the exact meanings are not always clear or used in a consistent manner. Van Dyk (2001) mentioned typical terminologies such as personnel management, the personnel function, human resources management, personnel administration, and human resources department. The key concepts relevant to the latest trends and developments impacting on the effectiveness of HR functions are to be clarified.

2.1.1 Human resources management

An enquiry into the meaning and nature of human resources management unavoidably leads to a differentiation between personnel management and

human resources management (HRM). An analysis of the relevant literature indicates that the shift from personnel to HRM began in the 1970s, with the US government's intervention in private business through legislation (Brewster, Dowling, Grobler, Holland & Wörnich, 2000; Carrell, Elbert, Hatfield, Grobler, Marx & Van der Schyf, 1998; Cascio, 1998; Fitz-enz & Davison, 2002). From a South African perspective it is important to note that never before in the history of this country has such a large amount of legislation been promulgated, which has had a direct impact on the field of human resources management. Some of the legislation relevant to the management of HR includes the Labour Relations Act, No 66 (1995), the Basic Conditions of Employment Act, No 75 (1997), the Skills Development Act, No 97 (1998), and the Employment Equity Act, No 55 (1998). The aim of these acts, according to Naves (2002), has been to collectively provide a framework within which South African organisations could manage their human resources. South Africa could therefore safely be placed in the phase of transition towards HRM.

As personnel management is giving way to HRM, or more recently to strategic HRM, it is evident that a new era in the management of people has arrived. This new era underlines the growing value that people (employees) add to organisations and the subsequent need for transformation in HR functions. In support of this transformation, Cascio (1998) highlighted the key differences between personnel management and HRM as (1) operational implementation of policy versus strategic development of policy, (2) reactive and diagnostic in nature versus a prescriptive nature and the development of new ideas, (3) the enforcement of company rules versus the development of a culture that promotes cooperation, and (4) short-term perspectives versus long-term perspectives of integration as well as striving for high performance.

The move from personnel management to HRM is therefore characterised by the desire or need of the human resources field to contribute to the overall

performance of the organisation, through strategy, proactiveness, and integration. Storey (1998) supports this viewpoint and states that the most important dimension of HRM interest is the goal of integration. In practice this means that if HR policy and practice can be integrated into the organisation's strategic plans, and if the importance of HR can be internalised and reflected in the behaviours in the organisation, the goal of employee commitment and therefore overall organisational performance can be achieved. As a reality check, however, some authors, such as Legge (1995), seemed sceptical about the magnitude of this transition and pointed out that a number of personnel departments have become human resources departments, without any changes in roles or practice.

Hall and Goodale presented the following as a definition of human resources management, "Human resources management ... the process through which an optimal fit is achieved among the employee, job, organisation, and environment so that employees reach their desired level of satisfaction and performance and the organisation meets its goals" (cited in Van Dyk, 2001, p.19).

This definition highlights the objective of HRM to integrate the human resources management strategy into the broader organisational strategy. The definition further implicates four important, interdependent components that could influence human resources management strategy. These components, according to Van Dyk (2001), are (1) the external environment (economic, social, political, and technological), (2) the organisation (size, structure, and culture), (3) the job itself (degrees of challenge, variety, and autonomy), and (4) the individual employee (ability, personality, values, and expectations). The objective of HRM is to facilitate the integration and alignment of these components with the organisational strategy.

Legge (1995), in a further attempt to explain the goals of HRM, compiled a number of common themes from normative, descriptive-functional, and critical-evaluative HRM models. These themes indicate that HRM focuses on:

- Close integration of human resources policies, systems, and activities with business strategy. Carrel et al. (1998) supported this view in as far as HRM programmes have to balance the needs of the employees and the needs of the organisation.
- Quantitative and business strategic aspects of resource management (human, headcount).
- Treating employees as valued assets and a source of competitive advantage. Legge (1995) wrote about it as “human resources policy to deliver resourceful humans” (p. 67). Carrel et al. (1998) indicated that a working environment must be created in which employees can utilise their skills to the maximum extent. Legge (1995) added to this point by indicating that the purpose of HRM is to foster organisational policies, which enhance the contribution employees make to the effectiveness of the organisation.

Carrell et al. (1998) stated that the emerging trend in HRM was clearly towards the adoption of the strategic human resources approach. The concept of Strategic Human Resources, according to Butler, Ferris, and Napier (1991) generally refers to a simultaneous long-term and integrative perspective in planning for and managing the organisation’s human resources.

Critics of the strategic HRM model suggest that HRM theories have been heavily influenced by a small number of US academics (Beer, 1997; Cascio, 1998) and are therefore only applicable to the US context. Nankervis and Compton (1994), however, challenged HR professionals not to reject the dominant US paradigm, but to adapt the models to contribute to their specific

unique environments. This is true for the HR professional within the current South African organisational context. Organisations in post-apartheid South Africa are not only faced with the challenges associated with being competitive within the global market, but are also faced with some unique challenges such as rebuilding the broader society, skills shortages, and diversity. HR professionals will play a critical role in the development, implementation, and integration of people management solutions that could address these challenges.

The human resources function, the traditional functional home of the HR professional, will now be investigated within the context of strategic HR management.

2.1.2 Human resources functions

A key aspect of human resources management is the role that the human resources (HR) function plays in both development and delivery of the HRM focus or objectives. In the literature, the terms HR function and HR department are used interchangeably. For the purpose of this study, the term HR function was used.

Van Dyk (2001) defined HR function as the physical place where employees who are responsible for the implementation of HRM activities are found. The HR function within each organisation is unique to that organisation, and the same uniqueness exists in the activities that are performed by that function. Carrell et al. (1998) listed over sixty different management activities that may be assigned to the HR function. The activities that are most likely to be assigned exclusively to the HR function are:

- Compensation and benefits (salary administration, unemployment compensation, pension plans, and flexible benefits accounts).

- Employee services (employee assistance programmes, health and wellness programmes, and relocation services).
- Employment equity programmes.
- Job analysis programmes.
- Pre-employment testing.
- Attitude surveys.

In addition, the HR function is likely to carry out activities jointly with line departments in the organisation. These activities include interviewing, training and development, career planning, disciplinary procedures, and performance appraisals.

Carrell et al. (1998) noted that much evidence could be found in literature on the importance of the HR function in the organisation's efforts to achieve financial success. The results indicate a strong relationship between HR practices and bottom-line profits. This view is supported in research quoted by Beer (1997).

Yet the converse also exists. HR functions are, for example, severely criticised for not adding value to organisational objectives. Certain stereotypes still exist today, including that HR functions are overstaffed, reactive, and staffed by rule-followers insisting on handling things by the book. The objective of the present study was indeed to investigate this negative perception that surrounds the HR function. It also aimed to come to an understanding of the elements that will deem the HR function of the future to be effective in its role as custodian of human resource management.

Alvarez (1997) also criticised the current way that HR functions are structured in organisations, with a corporate HR function and field HR functions. He viewed this traditional model according to which corporate HR functions

design programmes and set policies while field HR functions execute these policies, as a recipe for not meeting enterprise business needs.

A large body of literature has been calling for the HR function to shed its traditional administrative, compliance, and service role, and adopt a new strategic role. However, it is Pfau and Kay's (2002) view that HR functions first need to establish credibility through performance in basic operations (HRIS system, compensation, reward), before moving into more strategic areas.

It is the researcher's view that HR functions, irrespective of amount (how many), diversity of function (specialist fields and processes), structuring and service delivery philosophy, are the owners of HRM theory, tools, processes, and products. It is the task of the HR function to set the agenda for people management in the organisation. In this regard, Ulrich and Brockbank (2005) stated that it is the role of the HR function to create value for investors and customers, external to the organisation, and to create value for line managers and employees inside the organisation. This value is created through the facilitation of HR practices that focus on:

- "The flow of people" – ensuring the availability of talent to accomplish organisational strategy.
- "The flow of performance management" - promoting accountability for performance by defining and rewarding it.
- "Flow of information" - ensuring that employees are aware of what is happening, and can apply themselves to those things that create value.
- "Flow of work" - providing the governance processes, accountability, and physical setting that ensure quality results. (Ulrich & Brockbank, 2005, p. 20).

It is clear that the traditional HR function is under pressure to shed the tag of administrator, and to transform into an entity that can proactively develop and integrate HR products and services, which will facilitate the flow of value through the organisation. Some of the key success conditions to this transformation are the presence and influence of HR professionals.

2.1.3 Human resources professionals

The last term that needs clarifying is that of the human resources professional. In the literature, the terms personnel officer, human resources practitioner, human resources professional, and some other variations are used interchangeably. For the purpose of this study, the term HR professional is used. Van Dyk (2001) provided the following broad definition of HR professionals, “Employees, irrespective of their appointments, who deal with the execution of human resources activities” (p. 16).

Within the South African context, the Institute of People Management of Southern Africa (IPM) and the South African Board for Personnel Practice (SABPP) formally provide comparable standards for HR professionals. Regarding the registration of HR professionals, the draft Human Resources Profession Bill (2005) states the following:

“All persons practising in the greater human resources community encompassing all human resources related occupations and trades in training and working; including and for matters connected therewith in the occupations Compensation Management; Education Training & Human Resources Development; Employee Safety; Health and Wellness; Employee Relations; HR Information Systems and Administration; HR Planning; Recruitment and Selection; Organisation Development; Psychologiae; and Research shall be required to register with the SABPP” (p. 23).

The above quotation gives an accurate account of the activities and specialist fields in which the HR professional may function, and is supported by relevant literature (Carrell et al., 1998; Cascio, 1998; Van Dyk, 2001). The draft Human Resources Profession Bill (2005) further dictated the requirements for registration as an HR professional, and stipulated the requirements, in all categories as a combination of formal qualifications (degree) and experience. Fitz-enz and Davison (2002) noted that from the 1990s a new breed of HR professionals began to appear. Unlike most of their predecessors, the new generation of HR professionals is highly qualified, computer literate, and focused on adding value to the organisation's bottom-line. Most of the literature incorporated in this study indicated that the HR professional of the future would only be relevant with a new set of competencies.

Summary

Personnel management, the traditionally viewed reactive, operationally focused enforcer of organisational rules, has given way to human resources management and lately to strategic human resources management. The objective of strategic human resources management is to integrate HR products and services and to align these with the strategic direction of the organisation. Its ambition is further to become an influencer of organisational strategy and to set the agenda for people management within organisations. It is the HR function, functional home of the HR professional, which holds the key to adding this value to the organisation. The researcher now explores the latest transformational trends that have an impact on the HR function.

2.2 HR TRANSFORMATION – CURRENT TRENDS

The HR function has been in constant motion, evolving for many decades. Although many new HR concepts have been introduced, the actual roles and duties of HR professionals did not change much until the 1970s. It was during

this time that Foulkes (1975) called for companies to deal with new social and individual values in the workplace, and highlighted the need for the HR function to be more active, progressive, and worthy of respect. Since then human resources management, as a concept and a framework for practice, has gained broad acceptance in both the academic world and with business. Human resources management theories have superseded earlier personnel management theories and a new strategic HRM model is driving the perception of employees as organisational *resources* (Nankervis & Compton, 1994).

A large body of literature, today, confirms the key roles that people play in organisational survival. Theoretical literature, according to Hiltrop (1996), is now supported by evidence from research studies that employers who use HRM practices creatively and strategically are able to attract and retain more talented people, thereby contributing to organisational performance. Pfau and Kay (2002) stated that the business case for human capital management has been building over a period of time, and that their research has proven that superior HR practices drive financial results. It is within this context of employee contribution to improved business performance that Ulrich, Losey and Lake (1997) noted that HR departments are under increased pressure to rethink, redefine, and re-evaluate their roles. In order to attempt an effective evaluation of HR functions, it is necessary to study and analyse the new proposed roles of the HR function.

2.2.1 Transforming the HR function

Transformation of the HR function is in reaction to the forces shaping the new world of work. Peters (cited in Schultz, 2001) stated that today's economic environment requires a fresh look at the individual, the job, the department, and the organisation. In general, HR functions are battling to justify the

reason for their existence due to an inability to communicate the importance of what they do, in economic terms (Naves, 2002).

2.2.1.1 New roles for the HR function

Ulrich (1997) defined pressing competitive challenges that require a new way of thinking by the HR function. Some of these challenges are: globalisation; the focus on organisational capabilities for competitiveness; the need for an organisational model for change; dealing with ever changing technology; and attracting, retaining and measurement of competence and intellectual capital. Mohrman and Lawler III (1998) supported this view and added to this list of challenges with aspects such as restructuring for high performance (combining knowledge of strategy, design and principles of motivation); deployment of people within a virtual organisational concept; managing organisational learning, and defining the new psychological contract.

Various authors call for the HR function to play (1) a more strategic role, (2) for HR strategy to be aligned with organisational strategy, and (3) for all HR activities to enhance organisational growth through collaboration (Fitz-enz & Davison, 2002; Schultz, 2001; Ulrich, Losey & Lake, 1997). They further call for the HR function to have a full partnership role in key business processes such as strategy development, organisational design, change implementation, and the integration of performance management practices (Mohrman & Lawler III, 1998).

In support of the above, Fitz-enz and Davison (2002) indicated from research by the Saratoga Institute, that the HR vision for the new millennium must be drawn from aspects such as enhanced productivity and effectiveness. The HR vision must further include the aspect of professional functions, staffed by professionals, dedicated to the development of people in ways that are satisfying to both the individual and the organisation. It is the researcher's view that, in the last decade, the majority of the literature on the

transformation of HR functions has been influenced in some way by Ulrich's multi-role model for human resources management.

Ulrich (1997) developed the multi-role model for human resources management as a blueprint for HR professionals in order to make the required business partnership a reality. This multi-role model indicates that HR professionals must learn to be both strategic and operational, focusing on the long and the short term. The HR function and HR professional of today need to be successful in four principle HR roles. These roles are:

- Management of strategic human resources (strategic partner).
- Management of infrastructure (administrative expert).
- Management of employee contribution (employee champion).
- Management of transformation and change (change agent).

The key challenges or essential activities for each role are summarised in Table 2.1.

TABLE 2.1
A MODEL FOR MULTIPLE HR ROLES (Ulrich, 1997)

Role	Key activities required / value obtained from this role
Strategic Partner: Designs HR practices that align with business strategy	<ul style="list-style-type: none"> • Participates in the strategic discussion before strategies are decided. • Participates in all segments of the balanced scorecard. • Provides intellectual leadership on the employee dimension of the balanced scorecard. According to Becker, Huselid and Ulrich (2001), the HR function needs to develop a measurement system that showcases HR's impact on performance

TABLE 2.1
A MODEL FOR MULTIPLE HR ROLES (continued)

<i>Role</i>	<i>Key activities required / value obtained from this role</i>
Administrative expert: Re-engineers organisational processes	<ul style="list-style-type: none"> • Integrates HR practices into the organisational business plan. • Builds organisational competitiveness through benchmarking. Fitz-enz and Davison (2002) support a process of knowledge exchange. • Identifies and improves organisational capabilities – to implement strategy and to leverage new products.
Employee champion: Provides resources to employees	<ul style="list-style-type: none"> • Participates in both business and HR process re-engineering. This includes efficiency improvement of HR practices and innovations on how work is performed (shared services, centres of excellence). • Effective management of operational processes – resulting in superior quality of services at a lower cost (Beatty and Schneier, 1997). • Measures HR results in terms of cost and quality.
	<ul style="list-style-type: none"> • Assists employees to deal with organisational demands (set priorities). • Implements creative ways to leverage resources. • Demonstrates confidence, trust, sensitivity, creativity, and discipline.

TABLE 2.1
A MODEL FOR MULTIPLE HR ROLES (continued)

<i>Role</i>	<i>Key activities required / value obtained from this role</i>
Change agent: Manages transformation and change. Ensures capacity for change.	<ul style="list-style-type: none"> • Defines and provides resources that assist employees to meet the demands made on them. Beatty and Schneier (1997) placed the focus on a service role, with services such as flexible work schedules, career development and counselling, and employee assistance programmes. • Ensures that employees receive fair treatment – employee advocate role (Ellig, 1997). • Leads transformation by initiating it first in the HR function. • Serves as a catalyst / facilitator / designer of change. • Demonstrates understanding of the theory and tools of change. Provides a model of change that can be used throughout the organisation. This view is supported by Lake (1997) in his identification of change management capabilities required by the HR professional (conflict management, project planning) • Bringing about change through supportive relationships and facilitating the sharing of knowledge across organisational boundaries (Boninelli, 2004).

The mentioned model developed by Ulrich (1997) has a universal applicability and is also relevant for the current South African environment. It has been the researcher's experience that many HR functions in South African companies have embraced the roles as identified by Ulrich.

Boninelli (2004,) supported the change in role as described by Ulrich. She indicated that the focus of the HR function would move from the back office to the front office. The key for HR functions therefore lies in the alignment of its people processes to support and leverage business strategy. The shift in focus required by the HR function, according to Boninelli (2004, p. 4) is summarised in Table 2.2.

TABLE 2.2
THE NEW FOCUS REQUIRED BY HR FUNCTIONS (Boninelli, 2004)

Today	Tomorrow
<ul style="list-style-type: none"> • Strategy 5% • Performance enhancement 25% • Transactions 30% • Administration 40% 	<ul style="list-style-type: none"> • Strategy 30% • Performance enhancement 40% • Transactions 15% • Administration 15%

This is part of the trend that sees the ever-greater integration of people management into the everyday management of business. From the study and analysis of the mentioned literature, it became clear that it could be used as a suitable model for the development of a theoretical evaluation model. The evaluation model that was ultimately developed by using this model and associated literature is discussed in detail Chapter 3.

2.2.1.2 A new structure for the HR function

In order to create the capacity to assume the new roles, HR professionals need to free themselves from transactional issues that fill a large part of their day-to-day activities. The key to achieving such capacity lies in the structuring of the HR function.

Ndhlovu (2004) indicated that organisations typically adopt variations of organisational models and choose to deliver different services using different models. Some of the relevant organisational models for service delivery are: decentralisation, centralisation, shared services, and outsourcing.

The features of a centralised model include a definite hierarchy, distinction between the operating core and services activities, formalised communication and control systems, and role specification. In the decentralised HR model, HR staff in business units report to a central HR department with a dotted-line relationship to the director of the business unit (BU). A variation on this is the devolved HR structure where HR staff in business units report directly to the director of the business unit, with a dotted-line relationship to the central HR department. According to the Saratoga study (1997) on the effectiveness of HR in South Africa, 60.3% of South African respondents reported having a decentralised / devolved structuring model.

A structure that has gained increasing interest in recent years is the shared services structure. According to Galbraith (1998) the shared services model emerged because of problems with both centralised and decentralised structures. In a shared services organisation, each activity is placed in the best location for its execution, and the expertise is shared by all other locations within the organisation.

Boninelli (2004) took the debate a step further in her view that the HR service delivery must change from the current face-to-face and manually intensive processes to tiered HR services. Such a tiered HR service consists of:

- Tier 1: Self-service (employee and manager) through Intranet and Internet.
- Tier 2: Shared service dealing with basic queries, through an HR Call Centre.
- Tier 3: Back office transaction processing through workflow management.
- Tier 4: Specialist services delivered through HR professionals.

From the literature it is evident that the HR function of the future will need to find an appropriate service delivery model to deliver quality at a lower cost (Boninelli, 2004; Pfau & Kay, 2002; Ulrich, 1997). The structuring of the HR function directly influences the nature of service delivery and will be a key component to include in the evaluation of the effectiveness of an HR function.

2.2.2 Changing competency profile of the HR professional

Both the roles described by Ulrich as well as the new focus for HR functions as described by Boninelli provide a framework that can be used for the evaluation of the effectiveness of an HR function. It is further evident from the literature that the competencies within the HR function play a prominent role in the function's effectiveness. It therefore seemed necessary to analyse these competencies as part of the research and to accommodate it in the evaluation model.

The new model and requirements for HR functions will require a change in the competency profile of the HR professional. Competence refers to an individual's knowledge, skills, abilities, or personality characteristics, which

directly influence job performance. Becker, Huselid and Ulrich (2001) cited the results of a number of HR competency studies with emphasis on the extensive surveys conducted at the University of Michigan School of Business over a ten-year period (1988 to 1999).

The HR competencies that were identified through three distinct phases of these studies can be divided into five domains, summarised below:

- **Knowledge of the business:** Understands the human resources practices, organisational structure, competitor analysis, and the financial indicators of business success.
- **Delivery of HR practices:** Expresses effective verbal communication, facilitates the process of restructuring, and attracts appropriate employees. The strategic emphasis is on the ability to measure the value created by the different HR practices.
- **Ability to manage change:** Establishes trust and credibility, is a visionary, and takes a proactive role in bringing about change.
- **Culture management:** Shares knowledge across organisational boundaries, translates desired culture into specific behaviours, and challenges the status quo.
- **Personal credibility:** Has track record of success, has earned trust, instils confidence in others, and demonstrates high integrity.

The results of the Michigan studies further highlighted the continually changing nature of the profession. A new competency – strategic HR performance management – was later integrated into the mentioned competencies. Becker, Huselid and Ulrich (2001) divided the strategic performance management competency into four dimensions, namely (1) critical causal thinking, (2) understanding principles of good measurement, (3) estimating causal relationships, and (4) communicating HR strategic performance results to senior line managers.

Minervini (2003) and Boninelli (2004) identified specific key areas of competence relevant to the HR professional in the South African context. In order to view these competencies in context with the results of the Michigan studies, an alignment is presented in Table 2.3.

TABLE 2.3
HR COMPETENCE DOMAINS

HR competence as per Michigan studies	HR competence for the South African business context
Personal credibility	<ul style="list-style-type: none"> • Customer-centric.
Ability to manage change	<ul style="list-style-type: none"> • Ability to manage alliance partners. • Project management skills. • Change agents. Skills to support and facilitate change initiatives.
Ability to manage culture	<ul style="list-style-type: none"> • Champions of culture transformation processes with specific reference to transformation (employment equity) and diversity. • Understand intellectual and human capital. • Have understanding of globalisation and cross-cultural work teams.
Delivery of HR practice	<ul style="list-style-type: none"> • HR generalists need to build greater depth of skill across the full spectrum of HR disciplines. • Have understanding of the principles of business re-engineering. • Experts in communication.

TABLE 2.3
HR COMPETENCE DOMAINS (continued)

<i>HR competence as per Michigan studies</i>	<i>HR competence for the South African business context</i>
Understanding of the business	<ul style="list-style-type: none"> • Financial skills. • Knowledge management. • General business acumen. In-depth understanding of business processes and strategies. • Technological savvy. • Corporate performance analysis and techniques.

It is clear that HR professionals of today need to embrace change and see it as an opportunity to enrich their contribution to organisational performance and obtain new skills and understanding.

The researcher attempts to integrate the dimensions of transition within HR into an integrated model of effectiveness in the discussion part of this chapter. Such a model would however be incomplete if the notion of HR architecture alignment were not incorporated. Becker, Huselid and Ulrich (2001) emphasised that the HR architecture – the sum of the HR function, the broader HR system, and the resulting employee behaviours – must be aligned with the requirements of the organisation's strategy implementation process. Their model depicts the dimensions of alignment that the HR architecture must achieve in order to become a strategic asset.

Firstly there is the alignment between strategy implementation and the HR system. HR deliverables represent those products of the HR architecture that

are integrally linked to the successful implementation of the organisation's strategy. In an integrated fashion, the HR system will be shaped by the HR deliverables.

The second alignment is between the strategic role the HR function can play and the level and mix of competencies available in the organisation. These competencies include competencies of both HR professionals and line managers. This alignment will influence the overall development of human resources as a strategic asset.

The investigation into the current challenges facing the HR function and the HR professional highlighted a number of themes that were relevant to this study:

- The transformation from personnel management to human resources management has not automatically translated into a change in roles. Many HR functions have made the change in name without changes in roles or practice.
- Some uniqueness exists in the activities that are performed by HR functions but a large percentage of activities are generic in nature.
- Stereotypes still exist that HR functions do not contribute to the effectiveness of the organisation. However, evidence exists that a new breed of HR professionals is beginning to appear. Professionals are highly qualified, with a desire to contribute to the organisational bottom-line.
- More and more research studies support theoretical literature in as far as employers, who utilise HRM practices creatively and strategically, are able to attract and retain more talented employees who can contribute to organisational performance.

- The multi-role model of human resources management, developed by Ulrich (1997), has largely influenced the current thinking around HR functions and HR professionals.
- To embrace the new roles, HR functions will need to adopt a structuring philosophy that will deliver quality service at a lower cost.
- The new model for HR functions will require a change in the competency profile of the HR professional.

In order to deliver on the general aim of this study, the researcher integrated the relevant theory into a model that could serve as a blueprint for the evaluation of the effectiveness of an HR function. The model in Figure 2.1 focuses on (1) the current trends that could have an impact on the effectiveness of HR functions, and (2) the aspects of evaluation.

In summary, the model focuses firstly on the ability of the HR function to respond to the needs of the changing world of work. Within the South African context, the emphasis is on employment equity and the shortage of skills. Secondly, the focus is on the ability of the HR function to deliver in the new roles required by business. The emphasis is further on the ability to align the HR business plan with the organisational business plan, and then to measure the HR contribution to bottom-line success. The model thirdly evaluates the structuring philosophy of the HR function, with the emphasis on delivering quality at a lower cost. Lastly the focus is on the current competencies of HR professionals.

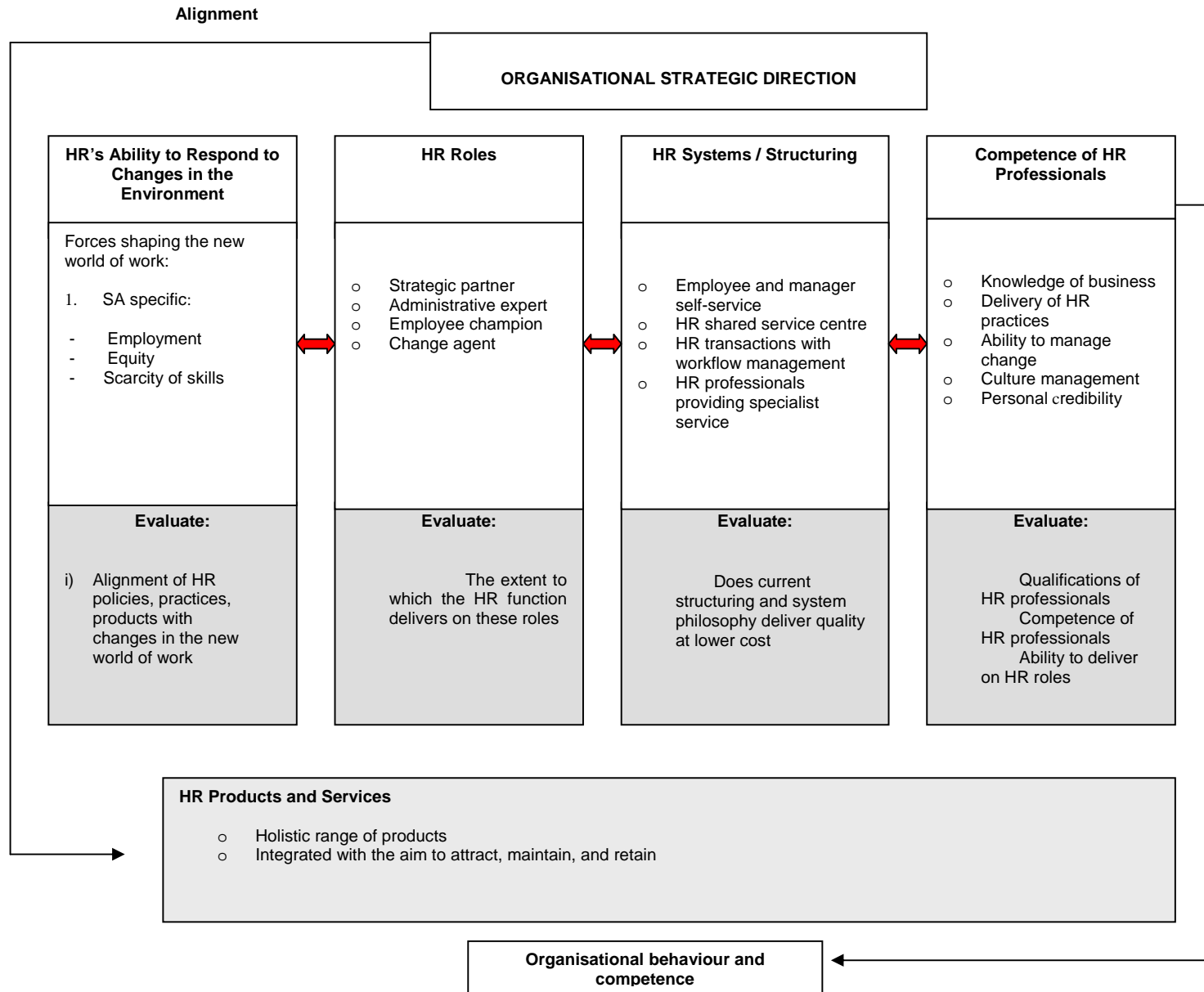


Figure 2.1: Model to evaluate the effectiveness of an HR function

2.3 CHAPTER SUMMARY

In Chapter 2 the concepts of human resources management, human resources function, and human resources professional were defined and clarified. The analysis of these concepts confirmed the goals of human resources management as creating the balance between organisational needs and individual (employee) needs, and the alignment and integration of HR products to address these needs. Typically the HR function is the custodian of these products with HR professionals the implementers of these products. Clarity was obtained on the current trends that are influencing the role of the HR function and the competency profile of the HR professional. These trends centre around (1) the ability of the HR function to respond to the current needs in the world of work, (2) the specific roles that the HR function and professionals need to embrace, (3) the structuring philosophies implemented by the HR function to support the system requirements, and (4) the new competencies required by HR professionals. The trends clearly indicate the move from HR functions towards a more strategic and integrated approach to ensure organisational performance through people effectiveness.

Chapter 3 focuses on the relevant literature on evaluation methodology. The aim is to analyse, explore, and determine suitable evaluation methodology for the evaluation of the HR function.

CHAPTER 3

EVALUATION METHODOLOGY

The objective of Chapter 3 is to explore different approaches to evaluation research as well as various evaluation models with the intent to develop a theoretical evaluation model for HR effectiveness. The chapter starts by defining programme evaluation and investigating the areas of application and benefits of evaluation.

3.1 PROGRAMME EVALUATION

Davidson (2005) regards the activity of evaluation as a catalyst that has allowed the human race to evolve, develop, and survive in an ever-changing environment. She stated that all change, be it new ideas, methods, processes or systems, needs to be confronted by the consideration of its value – is it better than before? Powell (2006) supported this theme by indicating that evaluation research should enhance knowledge and decision-making and lead to practical application. Powell (2006) however, confirmed that evaluation research is not easily defined. The different views around evaluation research range from it being a specific research method, special techniques associated with programme evaluation, or as a research activity that employs standard research methods for evaluation purposes.

With the focus specifically on programme evaluation, Rossi and Freeman (1998) defined it as a process in which social research procedures are systematically used to investigate the effectiveness of social intervention programmes. It is important to note that the term social programme means any

kind of organised endeavour, covering the spectrum from industrial companies to political movements (Potter, 1999). In line with this definition, Scriven (1998) firstly highlighted the systematic nature of programme evaluation and secondly the purpose, namely to investigate the merit (whether social programmes are needed), worth (effectiveness), and significance (probability of being used) of a social programme. In order to build on this definition, it was important to analyse the goals / objectives / purposes of evaluation research further and then specific areas of application.

3.1.1 Evaluation objectives

As already mentioned, Scriven (1998) viewed the objectives of evaluation from three different positions, namely to determine the need for a specific programme, to evaluate the effectiveness of a programme, or to determine the probability that a specific programme will be used. Davidson (2005) added to this by means of her view that evaluations are generally conducted to find areas of improvement in programmes and / or to determine the overall value of a programme.

In line with the above, Robson (2000) put the different possible purposes for evaluation as follows:

- To find out if the client's needs are met – question the specific focus of a programme / question whether the target group will be reached.
- To improve the programme – question improvement from an effectiveness and / or efficiency perspective.
- To assess the outcome of a programme – question whether programme goals are reached / the worth of continuation with the programme.

- To find out how a programme operates – question what actually happens during the programme / is it operating as planned?
- To assess the efficiency of a programme – question the cost versus the benefits / compare it with other programmes.
- To understand why a programme works or not.

The specific research embarked upon by the researcher was aligned with the objectives stated by Davidson in as far as the objective was to evaluate the overall effectiveness of an HR function, with the further incentive to identify specific areas for improvement.

3.1.2 Benefits of evaluation

Holistically the benefit of evaluation is captured in Davidson's (2005) view that evaluation plays a driving role in the evolution of humans and their ability to adapt to the environment. Robson (2000) agreed that the broader horizons of potential benefits to society and science must not be ignored. More specifically Rossi and Freeman (1998) classified the contributions of evaluation into those (1) having impact on programmes, (2) having influenced decision-making, and (3) those that are considered seriously by stakeholders, although without evidence that they have influenced the decision-making process. They further mentioned that evaluations, small or large, could have important consequences for the effectiveness and efficiency of programmes.

It is Robson (2000) that emphasised the risk of evaluation in relation to the benefit. Risk in evaluation can be associated with some kind of social, psychological or financial risk and needs to be viewed in relation to the possible benefits that the stakeholder(s) may receive. Within the context of the programme that has been the focus of the evaluation, Robson (2000) listed potential benefits as:

- Relationships – links established between practitioners and participants, stakeholders, and external service providers such as university departments.
- Knowledge – improved understanding of the problems and issues.
- Material resources – possible provision of materials, equipment, and funding linked to the evaluation.
- Training – participatory evaluation provides the opportunity to staff and practitioners to enhance their skills.
- Doing good – through taking part in the evaluation the organisation learns how to serve clients better.
- Empowerment – findings from the evaluation can be used for policy and publicity purposes.
- Scientific outcomes – given a successful evaluation, there is increased confidence in the validity of the programme.

The aim of the present study's evaluation of the effectiveness of the HR function was to achieve most of the mentioned benefits, and specifically the improvement of the **relationship** between stakeholders and the programme implementers (HR professionals in the HR function), and greater **knowledge** regarding areas of improvement that could lead to the improvement of service (**doing good**) to the programme customers. Lastly the present research endeavoured to raise the **validity** (credibility) of the HR function with a possible increased confidence of the HR professionals.

3.1.3 Areas of application

According to Davidson (2005) certain aspects should be systematically evaluated, including projects or organisations, personnel or performance, policies or strategies, products or services, and processes or systems. Her

view is that this transdisciplinary way of dealing with evaluation provides a constant source of innovative ideas that could improve the activity of evaluation itself. In outlining the history of evaluation, Rossi and Freeman (1998) mentioned the specific application of evaluation in social programmes such as urban development and housing, technological and cultural evaluation, occupational training, preventive health activities, delinquency prevention, felon-rehabilitation projects, psychotherapeutic and psychopharmacological treatments, and community-organisation activities.

From a South African perspective, Louw (1998) noted that evaluation takes place predominately in education, public health, epidemiology, and health education. He further stated that evidence exists indicating that evaluation also takes place within industry, but access to such reports are limited. An analysis of the relevant literature confirms that evaluation is applied across a large number of disciplines. This is in line with Potter's (1999) view that evaluation of social programmes includes any kind of organised endeavour, covering the spectrum from industrial companies to political movements. As the above confirms the broad application of evaluation it is important to note that evaluation can take different forms and shapes, depending on the purpose of the evaluation. A number of different approaches were investigated.

3.1.4 Approaches to evaluation research

The analysis of trends in the broader field of social science research has shown different traditions or approaches to evaluation research. The researcher broadly overviews three of these approaches, namely positivist, interpretive and participatory.

3.1.4.1 Positivist approach

The early nineteenth century marked the dominance of positivism as the paradigm of choice within which the vast majority of research was conducted as far as the social sciences, including psychology, was concerned. Research in these fields was characterised by the search for laws and structures underlying a stable, external reality empirically accessible to the researcher. Research was carried out in a detached and objective manner (Burr, 1995; Terre Blanche & Durrheim, 1999). Positivist evaluation research is based on the principle that the scope of programme evaluation is limited to those aspects that can be objectively observed and tested. Needs assessment, programme planning, formative evaluation, and summative evaluation, are all forms of evaluation commonly used as part of the positivist approach. Potter (1999) noted that in practice these different forms of evaluation research are often combined in a single evaluation design, by sharing a common conceptual basis, namely systematic activity, objectivity, and measurement.

3.1.4.2 Interpretive approach

During the 1960s and 1970s, profound criticism of the positivist method of investigating the social world had begun to emerge. This included growing concerns about (1) the role of the researcher, (2) the effectiveness of research results and knowledge, (3) increasing distance between the researcher and subjects, and (4) the assumption of similar perceptions of a stable reality for all people underling the paradigm (Burr, 1995). Recognition of the need for a radical transformation of both social theory and practice ultimately led to the interpretive or qualitative methods movement, a set of alternate paradigms and approaches to doing research (Terreblanche & Durrheim, 1999).

Potter (1999) argued that the aims of evaluation and therefore the required methodologies needed to be sensitive to the values underpinning the social programme. The understanding of values requires access to the knowledge

and understanding of programme stakeholders, as well as qualitative and subjective interpretation. The interpretive evaluation design is therefore based on the assumption that different programme stakeholders hold different perspectives, value positions, and ideologies of the programme. The understanding of stakeholder perspectives is essential to understanding the programme.

Different methodologies are applied in these evaluations with the shared commitment to firstly examine the work in context, and secondly to seek understanding of different participant and stakeholder perspectives.

3.1.4.3 Participatory approach

Participatory evaluation emerges as one of a number of new methodologies. This approach became increasingly popular in many areas during the late sixties and seventies, including industrial organisation and management, education, public policy creation, community development, and programme evaluation (Uzzell, 1995).

Participatory evaluation can be viewed as an integrated, activity-social investigation with the full and active participation of the community in the entire process, an educational process of mobilisation for change, and action taken for development (Kassam, 1982). The design of participatory evaluation is therefore ultimately to support those with less power in their organisational or community settings.

Uzzell (1995) listed five characteristics that distinguish participatory research from the mainstream. Firstly, participatory research promotes the *real use* of knowledge. Research should therefore have both a practical as well as theoretical value and should lead to real changes. Bhana (1999) supported

this view in as far as the participatory approach regards research as both pragmatic and contextual, aimed at producing practical solutions.

Warr (cited in Uzzell, 1995) extended this by arguing that researchers have to earn the right to become involved in people's lives by illustrating to them the immediate benefit and / or relevance of the research.

Secondly, participatory research requires the direct involvement of the participants. It is collaborative and attempts to shift the unequal balance of power between the researcher and the researched. Bhana (1999) noted that the participatory approach places the emphasis on knowledge, as something that exists between people. It also emphasises the equal contribution that can be made to mutual understanding by both the researcher and the participants as partners in the research process. This approach is considered to be of mutual benefit to everyone concerned: the participants gaining the researcher's outside perspective and the researcher gaining insight into and understanding of the world of the participants. The professional researcher acts primarily as a facilitator or resource, providing information and assistance, and allowing participants to reach informed decisions (Uzzell, 1995).

Thirdly, participatory research recognises the perspectives and interpretations of participants as equally valid as those of the researcher, and in this respect it is interpretative. The advantage of this is that participants feel they have an active role to play in the process, and this significantly increases their willingness to act according to the research findings (Bhana, 1999). Indications are that solutions obtained by traditional research methods, are imposed by outsiders (the researchers) on an unwilling community that tolerates them only until they leave and the status quo can be re-established.

Fourthly, participatory research involves a cyclical process of engagement by the researcher as well as the participants in the situation as it stands. It also involves potential changes regarding the future, and could ultimately lead to significant change in the participants as well as the situation. This allows participants to collaborate jointly with the researcher regarding every element of the research project, from defining research questions and collecting data to enacting the results in ways meaningful to them. Participatory research thus holds the view that those directly affected by the problem are the most likely to provide an effective solution (Bhana, 1999). Uzzell (1995) further noted that this cyclical process also allows for the recognition of change and development within the community over time, in contrast to the snapshot static results often obtained by traditional research.

Lastly, Uzzell (1995) stated that participatory research attempts to liberate participants, to emancipate them from traditional subject roles and instil in them the ability to influence not only the research but also their daily lives. This, according to Bhana (1999), represents the primary goal of participatory research, namely structural transformation through empowerment. The focus is therefore not on the successful resolution of research questions, but on the awareness of participants of their own abilities and achievements, on their independence in controlling their own lives, and on changing them for the better.

The participatory approach to evaluation was used in the present study of the effectiveness of an HR function, since it supported the general and specific aims of the research in as far as it produced a practical as well as a theoretical value that could assist the HR function to make real changes where necessary. This approach furthermore facilitated the involvement and participation of all stakeholders as partners in the research, and in this way helped to gain insight into the knowledge that existed between them. This

enhanced their willingness to shape the mentioned HR function in such a way that it would have the greatest beneficial impact upon its target community. Lastly, the approach assisted in the empowerment of the HR function to produce continued improvements in the future. In order to find an effective way to evaluate the HR function, a number of evaluation models were investigated.

3.1.5 Evaluation models

Over the past 30 years a number of different models of evaluation have been developed for specific circumstances. These models provide tools that are aimed at improving the abilities of evaluators to determine the success or failure of different types of programmes (Brazil: 1999). This supports Swanepoel (1996) in his view that the purpose of an evaluation model is to ensure the evaluation to be adequate and meaningful to all parties. Furthermore the results must guide attention and action in the correct direction. Some of these evaluation models are now to be discussed.

3.1.5.1 Participatory self-evaluation model

The participatory self-evaluation model (developed by Norman Uphoff for the United Nation's FAO) was adopted by Swanepoel (1996) to be used in South African urban and rural project evaluation. This model provides an evaluation method that combines process and results (product) evaluation in a participatory and capacity-building manner.

The foundation of the adapted model is a question bank that focuses on both process and result questions. There is also a third set of questions that focus on the evaluation of the fieldworker / evaluator. The model suggests the following steps:

1. A discussion by the programme members of a number of questions from the question bank. The group has absolute

freedom to choose the questions that are relevant to the situation. The questions then get scored on four alternative answers.

2. A discussion of the chosen questions to reach agreement about which of the four possible answers suits their situation best. This step is seen as the most important step in the evaluation.
3. The group prioritises the results and decides on future action steps.
4. Lastly the model suggests a regular repeat of the process to track progress.

Swanepoel (1996) viewed the main benefits of the model as follows:

- Programme members choose the criteria for evaluation and the methodology puts ownership back in the hands of the group. The uniqueness of every group and its circumstances is therefore acknowledged.
- The model is flexible and has a practical application because it is guided by exhaustive discussions.
- A numerical score can be allocated but through a qualitative evaluation.

Swanepoel (1996) noted that the model may be viewed as subjective and unscientific but suggested that if the discussion is not rushed, it may be more objective than when an outsider comes in with an interview schedule.

3.1.5.2 CIPP evaluation model

Another evaluation model that stresses the need for both process and product evaluation is the CIPP (context, input, process, and product) evaluation model developed by Stullebeam (2002). The model provides a comprehensive framework for guiding evaluations of programmes, projects, and systems, with

the purpose of effecting long-term, sustainable improvements. The model is the result of work that was first published in 1966 and incorporates learning from evaluations in community development programmes, rural education programmes, and personnel development.

The model, in the form of a checklist, has 10 components. Each of the components includes evaluator and stakeholder activities. These components are:

1. Contractual agreements – focus on understanding the evaluation to be done and it includes aspects such as accessibility of information, and clarity about the nature, contents and timing requirements of the stakeholders.
2. Context evaluation – assesses needs, assets, and problems within a defined environment.
3. Input evaluations – assesses competing strategies and the work plans and budgets of the selected approach.
4. Process evaluation – monitors, documents and assesses programme activities.
5. Impact evaluation – assesses a programme's ability to reach the target audience.
6. Effectiveness evaluation – assesses the quality and significance of outcomes.
7. Sustainability evaluation – assesses the extent to which a programme's contributions are successfully institutionalised and continued over time.
8. Transportability evaluation – assesses the extent to which a programme has been (or could be) successfully adapted and applied elsewhere.
9. Meta-evaluation – is an assessment of the evaluation's adherence to pertinent standards of sound evaluation.

10. Final synthesis report – pulls together evaluation findings to inform the full range of participants about what was attempted, done, and accomplished. It further includes lessons learned and a bottom-line assessment of the programme.

Stufflebeam (2002) viewed the main benefits of the model as:

- The comprehensive nature of the model with the added benefit of flexibility where relevant components can be selected for a specific evaluation.
- The ability of the model to evaluate programmes with a relative long-term goal.
- The model allows for evaluation of the evaluation – throughout the evaluation process.

3.1.5.3 Organisational wellness evaluation model

Koortzen and Baloyi (2004a, 2004b) reviewed a number of prominent evaluation models in the process of developing their own evaluation model. Their model was used as a structured approach to the evaluation of wellness programmes. The model consists of nine distinguishable phases and each phase consists of tasks that the evaluator needs to execute.

An overview of this model created by Koortzen and Baloyi (2004a, 2004b) is provided from a primary task and practical execution point of view.

- Phase 1: Determining the purpose of the evaluation
The primary task is to determine, at the start of the evaluation, the relevant purposes or goals of the evaluation. The real motivation behind the evaluation can either be goals, outcomes, processes, or programme benefits relative to cost. The evaluator coordinates the determination of

the purpose of the evaluation. The evaluation team can be consulted on the appropriateness of set goals to evaluate this phase.

- Phase 2: Identifying the stakeholders and their information needs
The primary task is to identify and consult stakeholders who will benefit from the evaluation. Stakeholders may include line management, employees, programme recipients, and organised labour representatives. Koortzen and Baloyi (2004a, 2004b) emphasised the importance of early orientation and motivation of stakeholders to participate in the evaluation. Stakeholder information needs are explored through interviews. During the evaluation of this phase, the evaluators will ensure that stakeholders have indicated who else should be involved in the evaluation.
- Phase 3: Defining evaluation questions
The primary task is to identify the areas of investigation by consolidating the stakeholder needs. The result is a questionnaire with evaluation questions per stakeholder group that measures their perception of the programme. The evaluator needs to ensure that the evaluation questions do not only cover the existing programme but also unmet needs of the stakeholders. Evaluation of this phase will centre on the relevance and scope of the questions.
- Phase 4: Conducting needs and evaluability assessments
The primary task is to explore and classify the needs of the various stakeholders involved in the programme. The focus is to uncover unmet needs. Different methods of data collection are required during this phase with the emphasis on more unstructured open-ended questions asked during interviews. The evaluator will evaluate this phase to ensure that all possible unmet trends and needs have been captured.
- Phase 5: Identifying evaluation criteria
The primary task is to develop evaluation criteria or standards according to which judgement on the impact, value, effectiveness, and

efficiency of the programme can be made. The basic criteria that can be used are process, outcome and cost.

- Phase 6: Developing a full evaluation plan

The primary task is to finalise both the quantitative and qualitative components of the evaluation. This is the result of the successful completion of the previous phases and guided by the purpose of the evaluation, stakeholder needs, and the evaluation questions. The evaluation plan needs to be presented to all the stakeholder groupings for evaluation.

- Phase 7: Implementing the plan

The primary task is to project manage the evaluation activities and to monitor the results. Periodic evaluations of the data will guide the evaluation team regarding possible changes to the questions and the methodology.

- Phase 8: Consolidating and reporting

The primary task is to present the results in a structured manner. The report will include preliminaries (executive summary, introduction, and description of the methodology), foundations (content of the evaluation, definitions, stakeholders, and resources), dimensions of the evaluation (process, outcomes, and cost) and lastly conclusions (overall significance, causal explanations, and recommendations).

- Phase 9: Corrective action and replanning

The primary task is for stakeholders to study the results and to provide feedback. The evaluation team should integrate the feedback and can decide on appropriate corrective actions.

Summary

The investigation into the different evaluation methodologies, and specifically participatory evaluation, highlighted the following:

- Participatory evaluation can be viewed as a suitable methodology to evaluate the effectiveness of an HR function.
- The HR function may benefit from this methodology in as far as (1) the evaluation will produce solutions that are practical and real, (2) the participants (HR employees, line managers, staff) will play an active role in the evaluation, which will (3) enhance the ability of the participants (HR function) to change and grow.

The evaluation model developed by Koortzen and Baloyi (2004a, 2004b) was used as framework for the evaluation of the HR function in the present study. The model firstly supports the participatory evaluation paradigm and adequately facilitates the interaction between participants and stakeholders. The model further ensures that suitable evaluation criteria are used that could provide a holistic evaluation of the effectiveness of the HR function.

In the section below, the researcher will endeavour to integrate the investigated information into a theoretical evaluation model that could be used to evaluate HR effectiveness.

3.2 DEVELOPMENT OF A THEORETICAL EVALUATION MODEL

The specific theoretical aims of the present research were (1) to analyse the latest trends and developments in HR functions from the relevant literature, in order to conceptualise an effectiveness model, and (2) to analyse and explore different evaluation methodologies in order to develop a theoretical evaluation model for the evaluation of an HR function. An analysis of the changing role that HR functions need to play (Chapter 2) highlighted that most transformation is centred on the multi-role model for human resources management as proposed by Ulrich (1997).

Ulrich's model indicates that HR professionals must learn to be both strategic and operational, focusing on the short and the long term. The HR function and HR professional of today need to be proficient in four principle HR roles. These roles are the following:

- Management of strategic human resources (strategic partner).
- Management of organisational infrastructure (administrative expert).
- Management of employee contribution (employee champion).
- Management of transformation and change (change agent).

The majority of the remaining key transformational constructs that impact on the HR function can be linked to this model. It therefore formed the foundation for the construct input to the theoretical evaluation model. The evaluation questions were also derived from it.

The analysis of the relevant evaluation models highlighted the need for (1) a structured approach to the evaluation, (2) early involvement from key stakeholders, and (3) the need for suitable evaluation criteria. The evaluation model developed by Koortzen and Baloyi (2004a, 2004b) formed the foundation for the methodology input to the theoretical model.

3.2.1 A theoretical evaluation model for HR effectiveness

That which was learned from the HR transformation literature and the evaluation models was used by the researcher to develop a theoretical evaluation model that could be used for the evaluation of the effectiveness of HR functions. The model is presented in Figure 3.1.

This evaluation model comprises of two elements that are combined in the execution of the evaluation. These elements are (1) the HR constructs that need to be evaluated, and (2) the specific evaluation methodology. The

evaluation model holds that HR products, policies, and service delivery need to be aligned with the organisational strategic direction. Alignment is influenced by the HR transformational constructs that need to be evaluated. These constructs are: (1) the roles that HR functions and HR professionals need to play as primary drivers, (2) the HR function's ability to respond to changes in the environment, (3) HR structuring and system philosophy, and (4) the competence of the HR professionals. It is the researcher's view that these constructs are central to HR effectiveness and therefore was compulsory to the evaluation.

The evaluation started with stakeholder identification and their information needs. This information was gathered through interviews and focus groups. The model further indicates that stakeholder involvement needs to continue for the duration of the evaluation. The information needs of stakeholders should be incorporated with the evaluation elements that are generic to the existing literature. In this model the evaluation questions were defined from the literature input on HR roles, as developed by Ulrich.

Outcome (goals), process, and competence of HR professionals, were used as evaluation criteria. The competence of HR professionals was selected as a criterion over a cost criterion for two reasons: firstly, competence of HR professionals is a critical contributor in the perception of overall HR effectiveness and secondly, a large body of credible HR cost benchmarks exist from which an evaluation can draw, if need be.

The evaluation was executed with the development and implementation of a full evaluation plan, concluding with a report. Proposals on corrective actions were to be initiated with stakeholders.

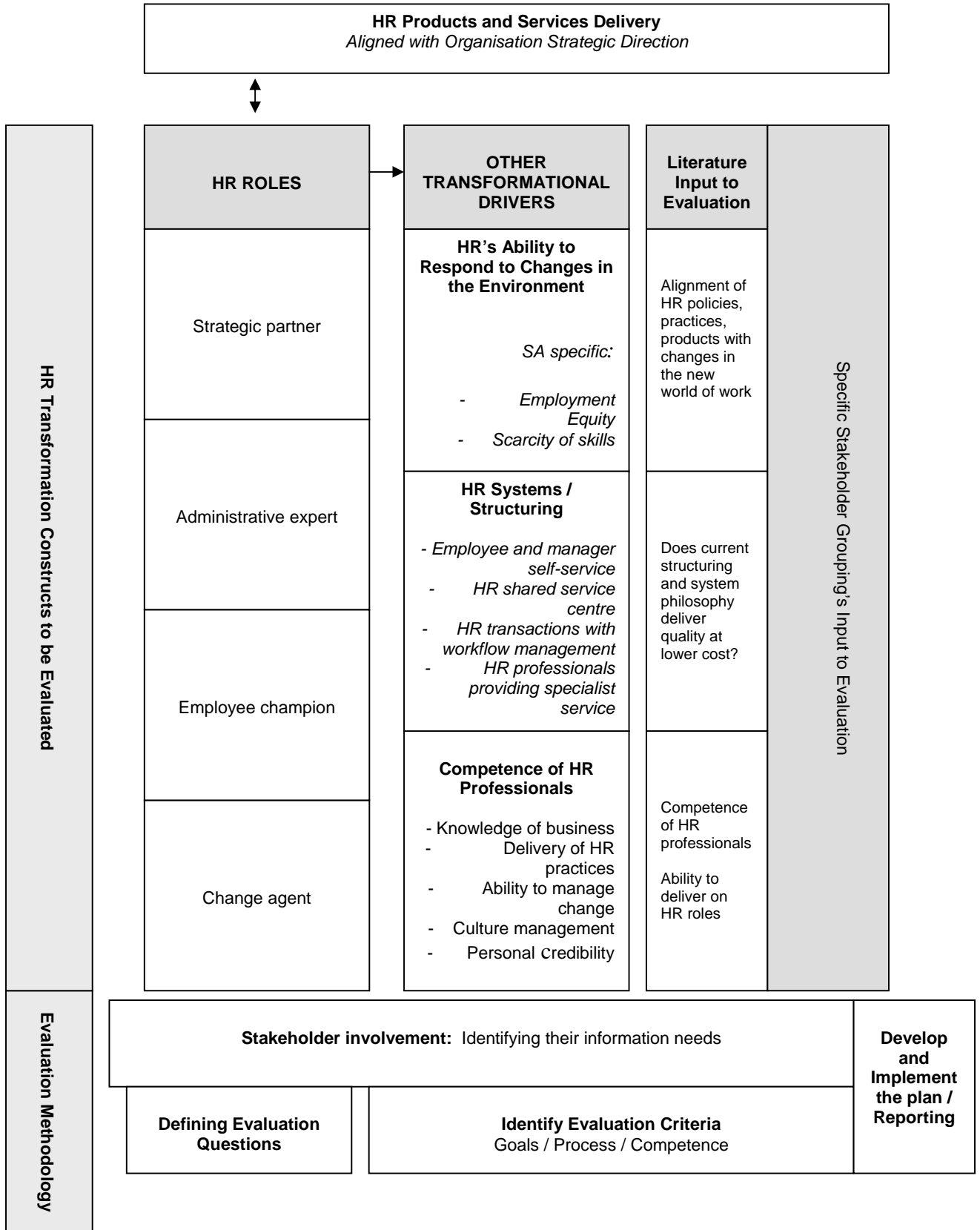


Figure3.1: Theoretical evaluation model for HR effectiveness

3.3 CHAPTER SUMMARY

In Chapter 3 the concept of programme evaluation was defined and further analysed from a purpose, benefits, and application perspective. Three approaches to evaluation research, namely positivist, interpretive, and participatory, were investigated, with participatory evaluation emerging as the preferred form to be utilised in industrial organisations and management. Participatory evaluation as a methodology is deemed suitable to evaluate the effectiveness of an HR functions in as far as it involves both stakeholders and participants and enables them to change and grow. Different evaluation models within the participatory paradigm were further analysed and the model developed by Koortzen and Baloyi (2004a, 2004b) was adopted for the evaluation of the HR function.

The HR transformation constructs identified in Chapter 2 were combined with the evaluation model of Koortzen and Baloyi (2004a, 2004b), to develop a **theoretical evaluation model for the effectiveness of the HR function**. This model facilitated a structured evaluation of the effectiveness of the HR function to deliver on the key HR transformation concepts and information needs identified by stakeholders. Goals, process, and competence were used as evaluation criteria.

Chapter 4 focuses on the research methodology. A detailed description of the sample philosophy, measuring instrument, and qualitative and quantitative techniques that were used in the study, are discussed.

CHAPTER 4

RESEARCH DESIGN AND METHODOLOGY

Chapter 3 provided a literature perspective on participatory evaluation as a suitable evaluation method for evaluating the effectiveness of the HR function, with specific reference to the evaluation model developed by Koortzen and Baloyi (2004a, 2004b). The chapter concluded with a theoretical evaluation model for the evaluation of an HR function. A specific empirical aim of the present study was to design and execute a quantitative and qualitative evaluation of the effectiveness of an HR function in a business unit of a public utility. Chapter 4 describes (1) the population and sample of the study, (2) the instruments used to collect data, and (3) the statistical methods and techniques used in the analysis of the data.

4.1 POPULATION AND SAMPLE

Hussey and Hussey (1997) defined a population as “any precisely defined set of people or collection of items which is under study” (p. 55). A sample, as described by Sekaran (2000), is a subset of the population in question and comprises of a selection of members from that particular population.

4.1.1 Quantitative study sample

The population under study comprised of a number of different stakeholder groupings. Table 4.1 gives a comprehensive picture of the composition of the different stakeholder groupings who participated in the quantitative study (opinion survey). The population was described in terms of (1) stakeholder grouping, (2) percentage racial equity (including Blacks, Coloureds and

Indians), (3) the percentage of female representation, and (4) man grading (Paterson).

Table 4.1
Population Stakeholder Groupings

Stakeholder grouping	Number	AA %	Female %	Paterson grading
Regional executive team	10	70.0	50.0	E, D4
HR management team	5	60.0	20.0	D1-D3
Line managers	58	49.3	18.7	D1-D3
HR practitioners	38	60.0	54.3	C2-C4
Employees	561	56.8	31.4	C1-C4

For the purpose of this study, the entire population (n = 672) of employees was targeted for the quantitative study. This decision was made due to the structuring of the business unit, which provided ease of access to the total population.

4.1.2 Focus group sample

Focus groups were conducted to collect data from line managers, employees and HR professionals in order to develop a customised evaluation model for the evaluation of the HR function. Convenient sampling was used to identify participants for the focus groups (Terre Blanche & Durrheim, 1999). An invitation to participate in a focus group was extended to the different stakeholder groupings, namely line managers, employees and HR

professionals in the business unit. The objective of the focus group was explained in the invitation.

Thirty employees, ten per stakeholder grouping, representative from all genders, races, and different job levels (Patterson grading) were selected to participate in the survey. Female representation was 40%, and 58% of the participants were from the previous disadvantage category (Black, Indian or Coloured). All participants had more than two years work experience within the organisation.

4.1.3 Interview sample

Interviews, as an alternative to focus groups were conducted to collect data from the Regional Executive members (REC). The total population of 10 REC were selected for the interviews. Female representation was 50% and 70% of the participants were from the previous disadvantage category (Black, Indian or Coloured).

4.2 DEVELOPMENT OF A CUSTOMISED MODEL FOR THE EVALUATION OF AN HR FUNCTION

This section deals with the procedure that was followed in the development of the customised evaluation model and opinion survey (quantitative instrument) for the evaluation of the effectiveness of the HR function. It is important to note that programme evaluation methodology requires the researcher to take a number of specific steps, in order to ensure an effective final evaluation. In this specific evaluation the researcher took various steps (doing “mini” research) before the specific research aim of the empirical study was attempted. The steps taken, namely (1) identifying key stakeholders, (2) identifying stakeholder needs – through interviews and focus groups, (3) data analyses –

as input to the quantitative questionnaire, and (4) a customised evaluation model, will now be discussed in some detail.

4.2.1 Finalising the model and development of opinion survey

After having studied the trends on HR functions and the changing roles (Chapter 2) as well as different evaluation methodologies (Chapter 3) the researcher developed the customised evaluation model and constructed the opinion survey using and expanding on the basic HR roles (Ulrich, 1997) and the specific evaluation model of Koortzen and Baloyi (2004a, 2004b). This model has a number of clear steps that the researcher operationalised in the following way:

4.2.1.1 Identifying key stakeholders

The objective of this step of the evaluation is to identify the relevant stakeholders and to ensure the participation of these stakeholders. Koortzen and Baloyi (2004a, 2004b) emphasised the importance to identify, orientate, and motivate stakeholders from the beginning of the evaluation process.

The stakeholders for this study were identified through a process of alignment with the basic HR roles as described by Ulrich (1997). The nature of the HR roles is such that different stakeholders receive more benefits or outputs of a role than others, and therefore are in a better position to evaluate the effectiveness of that role. The stakeholders identified per HR role were:

- Strategic partner – Members of the regional executive committee (REC).
- Administrative expert – Members of the regional executive committee (REC) and line managers.
- Employee champion – Members of the regional executive committee (REC), line managers and employees.

- Change agent – Members of the regional executive committee (REC), line managers and employees

The identification of the key stakeholders was followed by the identification of stakeholder information needs.

4.2.1.2 Identifying stakeholder needs

In the process of evaluation, Koortzen and Baloyi (2004a, 2004b) stressed the importance to explore all stakeholder needs or expectations by using different methods of data collection. The theory (Chapter 2) gave a clear indication of what is expected of the HR function with reference to specific roles. The objective of this step was to obtain the specific expectations and opinions of the different stakeholder groupings, in line with the mentioned theory, so as to include it in the evaluation questionnaire. The stakeholder needs were gathered through both qualitative interviews and focus groups.

- The qualitative research interview

The purpose of the qualitative research interviews was to identify stakeholder needs and expectations, in this case the needs and expectations of the REC. The researcher further used the information to (1) validate the dimensions of the theoretical model, (2) to customise the model by adding specific stakeholder expectations to the model, and (3) to develop an evaluation questionnaire. The main role of the REC is to provide strategic direction to the region. The relationship with the HR function is one of sponsor and customer.

The purpose of the qualitative research interview, according to Kvale (1983), is to gather descriptions of the life-world of the interviewee (in this case expectations and needs) with respect to interpretation of the meaning of the descriptive phenomena (in this case the effectiveness of the HR function). The

qualitative research interview is technically semi-structured. It is neither a free conversation, nor a highly structured questionnaire. Bless and Higson (1995) confirmed that the aim of the interview is to gather information on (1) what a person knows (knowledge and factual information), (2) what a person likes or dislikes (values, preferences, and interests), (3) what a person thinks (attitudes, and beliefs), and (4) what a person has experienced.

Kvale (1983) highlighted certain important aspects in an attempt to describe the main structure of a qualitative research interview. Some of these aspects are:

- Life-world. The theme of the qualitative research interview is the life-world of the interviewee and his / her relation to it. The purpose is to describe and understand the central themes the interviewee experiences.
- Meaning. The main purpose of interviewing is to understand the meaning of what is said. This places the accountability on the interviewer to capture and interpret what is said, as well as how it is said, including vocalisation, facial expressions, and gestures.
- Qualitative. The aim of the interview is to obtain as many nuanced descriptions from the different qualitative aspects of the interviewee's life-world as possible.
- Descriptive. The objective is to allow the interviewee to describe as precisely as possible what he / she experiences.
- Focused. The interview is focused on certain themes of the life-world of the interviewee. The interview is not totally non-directive, more semi-structured, but focused on specific themes.

Some basic conditions must be met to ensure objectivity in the interviewing process. Firstly, according to Bless and Higson-Smith (1995), the respondents must be willing to co-operate and share their experience. Moustakas (1994)

placed emphasis on sharing the nature and purpose of the study, confidentiality, and clarifying the responsibility of both the researcher and the respondent.

Secondly, the respondents must express what they perceive or, as was the case in the present study, what their expectations are, and not what they believe to be the best answer to satisfy the researcher. Thirdly, respondents must be aware of what they feel and think, and be able to express it in order to communicate the information. Emphasis is placed on the role of the interviewer to create a climate and environment in which the respondent feels comfortable to respond openly and honestly (Moustakas, 1994).

- Conducting the interviews

The researcher conducted individual interviews of approximately 60 minutes with each of the REC members. In total 10 interviews were conducted. Each interview was semi-structured, starting with an initial question. Meulenberg-Buskens (1994) noted the importance of the opening question, as it reflects the opinion of the interviewer in the form of a question.

The following steps were used in all the interviews:

- An appointment was made well in advance. The broad purpose of the interview was explained at the time the appointment was made.
- At the start of the interview aspects of confidentiality, ethical principles of research, and the role of both parties were explained. Permission to electronically record the interview was obtained.
- The background and purpose of the research study was explained.
- The opening question was asked - **“What are your expectations with regards to the effectiveness of the HR function in the Southern Region?”**

- The opening question was followed by a number of open-ended questions aligned to the theoretical model for the effectiveness of HR functions.
- The interview was concluded.

The choice to conduct interviews with the REC members instead of a focus group was based on practical reasons such as diary availability. In order to enhance reliability and validity during the interviewing process, the researcher ensured that (1) all interviews were conducted by one interviewer (the researcher self) and (2) cognisance was taken of the aspect of leading questions. Kvale (1983) noted the importance of these two factors during the interview process in that different interviewers may vary in sensitivity to the themes investigated and that varying interviewer sensitivity may reduce the reliability of the data. Kvale (1983) further noted that the interviewer may lead the interviewee towards specific themes but not to specific meanings of those themes. During the interviews with the REC members, the interviewer tested specific themes but employed open-ended questions in order to avoid soliciting specific meanings or responses.

- Focus groups

Focus groups were conducted to collect data from line managers (customers) and employees (customers). According to Berg (1998) focus-group interviews are either guided or unguided discussions addressing a topic of relevance to the group and the researcher. This is supported by Stewart and Shamdasani (1998) whose view it is that the common purpose of a focus group is to stimulate an in-depth exploration of a specific topic. The focus group is uniquely suited for quickly identifying qualitative similarities and differences amongst customers.

From the literature it is clear that the use of focus groups provides a number of advantages relevant to other types of research (Berg, 1998; Stewart & Shamdasani, 1998)

- Can collect data more quickly and at less cost than individual interviews.
- Interaction with participants allows for probing of responses, follow-up questions, and access to the substantive content of verbally expressed views, opinions, and attitudes.
- Respondents can build upon the responses of other participants, creating a synergistic effect that can produce information, which might not have been uncovered in individual interviews.
- Focus groups are flexible in as far as a wide range of topics, with a variety of individuals, in a variety of settings, can be examined

Stewart and Shamdasani (1998) stressed the importance to have a well-framed research question prior to initiating the focus group. Berg (1998) built on this by adding a number of elements that are significant to the success or quality of the focus group. These elements include (1) the nature of the group (homogeneous versus heterogeneous, appropriateness of the group for the research question), (2) environment and rapport (confidentiality, members must feel comfortable to talk openly), (3) the facilitator (listening, well organised, and prepared), (4) structure and direction (guide the group without giving own opinion), and (5) systematic analysis (data should be clearly stated and be verifiable). The researcher ensured that most of the mentioned elements were adequately addressed as Stewart and Shamdasani (1998) highlighted that the validity of focus groups needs to be addressed throughout the focus group research process.

- Conducting of the focus groups

The researcher and an HR practitioner conducted the focus groups. Data were gathered by using the Participlan® methodology (1999). The Participlan® process is a standardised approach of brainstorming with the aim to create a positive environment for the free flow of ideas and constructive discussion. Ideas formulated by the group were captured onto specially prepared display sheets, enabling participants to focus their thinking through visual stimulation, provided by means of this technique.

The respondents were assured that the data would be kept anonymous. A single open question was posed to each of the focus groups - **“What are your expectations with regards to the effectiveness of the HR function in the Southern Region?”**

The brainstormed information was captured and clustered by the researcher and the human resources practitioners. Same or similar items were only clustered together when all participants in the focus group had reached consensus. If no consensus could be reached, the item was captured on its own. The clustering of ideas is a bottom-up approach to finding the principles that naturally underlie the material (Terre Blanche & Durrheim, 1999). The participants of the focus groups confirmed the summarised heading of each cluster, which included the items under each cluster. With the input of participants, definitions per cluster were developed. The participants confirmed the definitions to ensure internal reliability and content validity (Smaling, cited in Bruinsma & Zwanenburg, 1992).

4.2.1.3 Data analysis of the interviews and focus groups in the construction of the questionnaire

Janesick (2003) stated that the role of the qualitative researcher demands a presence, attention to detail, and use of own mind and body, in the inductive

analysis process. He placed the emphasis on producing substantive findings rather than on methods or strategies of analysis.

In this study the researcher induced themes from the data (both interviews and focus groups), through a bottom-up approach, by organising the data according to the dimensions identified in the theoretical model of effectiveness for HR functions. The recorded data from the interviews with the REC members were transcribed in full text. The procedure for data analysis as described by Giorgi (1985) was broadly followed for both the analyses of the interview data and the focus group data:

Step 1: The researcher read through the total text in order to obtain a broad, holistic understanding.

Step 2: The researcher read through the text again, slower, and identified individual elements that (1) could be linked to the identified dimensions in the theoretical model, or (2) elements related to the phenomenon of HR effectiveness.

Step 3: The researcher reflected on the identified elements and clustered them into related themes.

Step 4: The researcher put the captured themes through a process of elaboration in order to capture the finer nuances of meaning, tensions, and contradictions from the data.

Step 5: The captured themes were used to enhance and customise the existing theoretical model.

- **Identified themes from the interviews and focus groups**

The purpose of the qualitative research interviews and focus groups was to identify stakeholder needs and expectations. The researcher further used the information to (1) validate the dimensions of the theoretical model, (2) to customise the model by adding specific stakeholder expectations to the model, and (3) to developed an evaluation questionnaire. The themes, clustered under the key dimensions of the theoretical model, were:

- *Ability to respond to changes in the environment*
 - The HR function needs to influence head office decision-making with regards to policies and practises.
 - HR policies need to be enabling and not restrictive.
 - The HR function needs to have the ability to scan, analyse, and respond to the internal and external organisational environment.

- *Roles of the HR function*

In general the REC members supported the roles as described in the theoretical model:

- The role as administrative expert needs to be the fundamental building block for the HR function. HR related data must be correct and well understood by the HR function.
- The HR function, as strategic partner, needs to display empathy, proactiveness, and intuitiveness.

- *Delivery of HR function / Structuring*

In general, the REC members supported the movement towards technological HR solution.

- Technological solutions need to be implemented at appropriate levels in the organisation. It cannot be applied to lower employee levels.

- *Competence*

The REC members supported the competencies as per the theoretical model.

- The HR function needs to increase (enlarge) the pool of HR professionals.
- Customer-centric needs must be added as a critical competence.
- HR professionals need to put theory into practice.

- *HR conduct*

A number of specific behaviours / attitudes / inclinations are expected from the HR function.

- Internal management of HR needs to serve as an example to the business.
- Confidentiality.
- The implementation of new products / strategies needs to be characterised by effective communication, and workable implementation plans.
- The HR function, as strategic partner, needs to display empathy, proactiveness, and intuitiveness.
- Trustworthiness.

- *HR products*

A number of key HR products were highlighted as critical:

- Strategic resource planning – with the focus on both attracting and retaining core staff.
- The HR function needs to integrate products / service into a value chain.

The mentioned themes represented the information needs and expectations of key stakeholders. The themes were then integrated with the theoretical evaluation model (as discussed in chapter 3) in order to finalise a customised

evaluation model for the evaluation of the specific HR function that operates within a business unit of a public utility. The final customised model is now presented.

4.2.1.4. A customised evaluation model for the evaluation of the effectiveness of an HR function operating in a business unit of a public utility

The objective was to collect stakeholder expectations and to incorporate these expectations into the theoretical model of effectiveness. The result is a customised model of effectiveness for the HR function operating in the business unit of the public utility. In Figure 4.1 the specific expectations of the stakeholders are incorporated into a customised model.

The model captured the key transformational drivers that impact on the HR function, with the HR roles as the foundation of these dimensions. The items for evaluation were split into theoretical evaluation input, and business unit specific evaluation input. The evaluation of HR products and service delivery conduct was further incorporated. The researcher used these dimensions to select and formulate evaluation questions in the opinion survey.

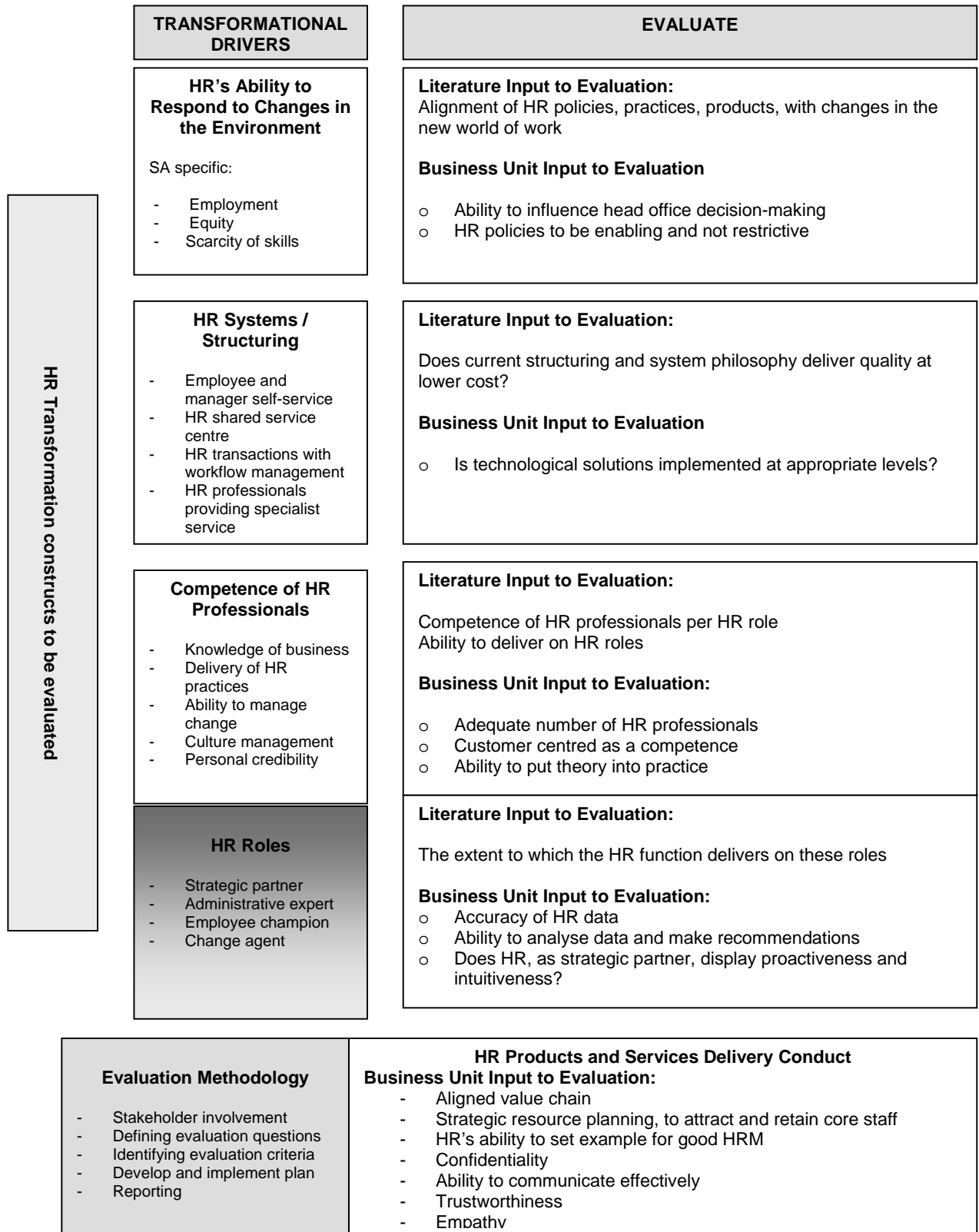


Figure 4.1: Customised model to evaluate the effectiveness of an HR function

4.3 MEASURING INSTRUMENT

The researcher developed an opinion survey as measuring instrument, in the form of a questionnaire. The questionnaire was based on the customised evaluation model for HR effectiveness. The structure of the questionnaire included key evaluation questions and definite evaluation criteria.

4.3.1 Evaluation questions

Davidson (2005) noted the importance to clearly define the evaluation question(s) as it will inform the evaluation methods that will be used. She further indicated that the purpose of the evaluation would influence the “big picture” or evaluation question(s). The main focus of an evaluation would be to (1) determine the overall quality or value of the programme, or (2) to find areas for improvement, or (3) both. Evaluation questions would be either questions of absolute merit or worth (e.g. How effective was this?), or questions of relative merit or worth (e.g. How does it compare with other options?).

For the present research the evaluation questions would be of absolute merit and it would be directly aligned with the overall purpose of the evaluation. The overall purpose of the evaluation was to evaluate the effectiveness of the HR function in a business unit of a public utility. The evaluation questions were informed by the theoretical evaluation model developed by the researcher, and specifically by the multi-role model for human resources management as proposed by Ulrich (1997).

The evaluation questions were:

- How effective is the HR function in its role as strategic business partner?
- How effective is the HR function in its role as administrative expert?

- How effective is the HR function in its role as employee champion?
- How effective is the HR function in its role as change agent?

The researcher chose to use the multi-role model of Ulrich (1997) as foundation for the evaluation questions and to incorporate the other dimensions of the customised model under the four evaluation questions, either as sub-evaluation questions or as evaluation criteria. The following alignment was used: (1) HR's ability to respond to changes in the environment was aligned to the role of strategic partner, (2) HR systems and structuring were aligned to the role of administrative expert, (3) HR products and service delivery conduct were aligned to either the role of employee champion or change agent. Lastly, the competence of HR professionals was used as evaluation criterion, across the four evaluation questions. The development of evaluation criteria will now be discussed.

4.3.2 Identifying evaluation criteria

Evaluation criteria or dimensions of merit are criteria according to which judgement can be made regarding the impact, value, effectiveness, and efficiency of programmes. Attributes of the programme are examined to see how good the programme is (Davidson, 2005; Koortzen & Baloyi, 2004a, 2004b). Process, outcomes, and cost, according to Koortzen and Baloyi (2004a, 2004b), are three of the basic dimensions that may be used to judge a programme by. Process, as a criterion, focuses on the efficiency of delivery by the programme, while the outcomes criterion focuses on the value of the impacts made by the programme. Cost, as a criterion, is based on comparative effectiveness (how costly the programme is compared to alternatives) (Davidson, 2005). For the purposes of the present evaluation, the researcher used process (how effective the HR function is in the delivery of service), and outcomes (how effective the HR function is in achieving its goals)

as evaluation criteria. A third criterion that was used, due to the emphasis placed on it by the relevant literature, was the criterion of competence (whether HR professionals have the relevant competencies to deliver on goals). The evaluation questions, categories of evaluation criteria, and stakeholder alignment, can be schematically viewed in Table 4.2.

TABLE 4.2
EVALUATION QUESTIONS, CRITERIA CATEGORIES, AND
STAKEHOLDER ALIGNMENT

Evaluation question	Evaluation criteria			Stakeholder grouping
Question 1: Strategic partner	Goals	Process	Competencies	Grouping 1: Regional executive, and HR managers
Question 2: Administrative expert	Goals	Process	Competencies	Grouping 2: Regional executive, HR managers, line managers, and HRPs
Question 3: Employee champion	Goals	Process	Competencies	Grouping 3: Regional executive, HR managers, line managers, HRPs, and employees
Question 4: Change agent	Goals	Process	Competencies	Grouping 4: Regional executive, HR managers, line managers, HRPs, and employees

It is important to note that these are only the broad categories and the detailed evaluation questions, sub-questions, detailed evaluation criteria and subcriteria are contained in the opinion survey (Appendix A).

4.3.3 Developing the full evaluation plan – measuring instrument and data collection

The successful completion of the evaluation questions and evaluation criteria is a prerequisite for the development of the complete evaluation plan. Koortzen and Baloyi (2004a, 2004b) viewed it as the groundwork for a successful evaluation. Developing the full evaluation plan, according to them, involves finalising the quantitative and qualitative components of the formal evaluation and identifying the most appropriate way of administration. Administration decisions include sampling, time, and procedure for data collection.

The researcher developed an opinion survey (Appendix A) based on the customised model of HR effectiveness, as described in this chapter. The researcher ensured that the questionnaire addressed all the information needs expressed by the different stakeholder groupings. A five-point Likert scale was used for the rating of the items. The scale read as follows: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, and 5 = strongly agree. Each question in the evaluation questionnaire made provision for qualitative comments or additional information from the respondent. The questionnaire was discussed with representatives of the different stakeholder groupings before finalisation. The questionnaire comprised of five (5) sections. Section A, biographical data, was completed by all respondents. Sections B, C, D, and E, representing the evaluation questions, were completed as per the stakeholder alignment.

Careful consideration was given to scheduling so as to ensure that data collection was done in a cost effective manner. The questionnaire was used as the mechanism for data collection. The researcher used an extended research team to collect the data. A number of HR practitioners were trained to be knowledgeable about the content of the questionnaire and to follow a suitable data collection process. The stakeholder groupings were divided into logical smaller groupings that were assigned to different members of the research team.

The researchers then contacted the respondents assigned to them via e-mail, inviting the respondents to a facilitated session during which the questionnaire would be completed. The rationale behind this approach was to maximise the quality of the data, but specifically to ensure that qualitative data would be captured. The researcher started each session by explaining the purpose of the research, the different stakeholder groupings, and the general expectations of the respondents. Confidentiality and anonymity were guaranteed. Respondents who could not attend such a facilitated session received the questionnaire via the internal mail system. Each questionnaire carried detailed instructions for the respondent. An envelope with a return address, marked confidential, was provided with the questionnaire. Note that the actual sample size will be discussed in Chapter 5.

4.4 ANALYSES OF DATA OBTAINED FROM THE OPINION SURVEY

Once the researcher had received the responses, the data were captured into a Microsoft Excel spreadsheet. Statistical analyses were carried out on the quantitative data by using the SPSS 11.0 package. The data were checked and described using frequency tables and descriptive statistics.

Descriptive statistics are utilised to summarise or display quantitative data, enabling patterns and relationships to be discerned, which are not apparent in the raw data (Hussey and Hussey, 1997). Frequency tables for each question in the questionnaire were produced in order to check the data for consistency and errors. The researcher then calculated the sample sizes, means, and standard deviations, for each of the questions. Sekaran (2000) described the mean of a sample as a measure of central tendency that offers a general picture of data without unnecessarily inundating one with each of the observations in the data set. The standard deviation of a sample is further described as an index of the spread of distribution or the variability in the data.

From a statistical analysis perspective, the researcher further analysed the internal consistency of the questionnaire by calculating the Cronbach alpha coefficient. The Cronbach alpha can be viewed as the average of the reliability coefficients that would result if all possible split-half analyses were performed (Finchilescu, 2002). In conclusion the researcher compared the perception of the different stakeholder groupings with the perception of the HR professionals, per evaluation question. Independent samples t-tests were used to compare the results of the stakeholder groupings and HR professionals. This t-test is used to determine whether the means of two samples are sufficiently different to conclude that the results in fact have been drawn from two distinct populations (Nunez, 2002).

For the analyses of the qualitative data gathered by means of the questionnaire, the same method of analysis was used as when the data from stakeholder interviews and focus groups were analysed (see earlier in this chapter). The researcher induced themes from the data through a bottom-up approach, by organising the data according to the questions from the evaluation questionnaire. The context provided for the themes, therefore were the evaluation criteria of (1) goals, (2) process, and (3) competence, per each

one of the four evaluation questions and sub questions. As a final step, the quantitative data and qualitative data were integrated to provide a deeper understanding of the results.

4.5 REPORTING

The results of the evaluation were presented to both the management of the HR function and the members of the regional executive committee. The format for reporting was aligned with the suggestions by Koortzen and Baloyi (2004a, 2004b). The report therefore included (1) an executive summary, (2) a description of the methodology used in the evaluation, (3) the context of the evaluation, (4) a description of the stakeholders, (5) the process that guided the evaluation, (6) results presented according to the dimensions of the evaluation, and (7) recommendations.

4.6 CHAPTER SUMMARY

The main focus of this chapter was to describe the population and sample of the study, the instruments used to collect data, and lastly the statistical methods and techniques used in the analysis of the data. The population of the study consisted of different stakeholder groupings and the total population was targeted for the evaluation study.

The researcher used transformational trends on HR functions and the changing roles as well as different evaluation methodologies to develop the customised evaluation model and to construct the opinion survey. This was done by using and expanding on the basic HR roles (Ulrich, 1997) and the specific evaluation model of Koortzen and Baloyi (2004a, 2004b). Business unit specific expectations were collected through interviews and focus groups with key stakeholders and incorporated in the customised evaluation model.

The opinion survey was constructed with core evaluation questions, sub-evaluation questions and broad categories of evaluation criteria, namely goals, process, and competence.

The researcher and a trained team of HR practitioners did the data collection. Analyses of the collected data from the opinion survey were done by using descriptive statistics and an integration of the qualitative trends. Operationalisation of the evaluation was completed with a detailed report to senior management.

CHAPTER 5

RESULTS

Chapter 5 focuses on both the quantitative and qualitative analyses of the data gathered by a structured questionnaire. The quantitative results gave an overall view of the effectiveness of the HR function. The results further offered detailed information on the effectiveness of the HR function with regards to (1) goals, (2) process of delivery, and the competence of the HR professionals. The qualitative findings provided more depth to and insight into the quantitative results. The chapter is structured to provide descriptive statistics of the sample, the reliability and validity of the opinion survey, results of the quantitative analyses, and findings of the qualitative analyses.

5.1 RESEARCH SAMPLE

As mentioned in Chapter 4, the research sample consisted of the total target population. Detailed information on the realised sample (34.82%) is provided in Table 5.1. The table contains information on the total number of respondents per race and gender, current man grade, stakeholder representation, and years of service in the business unit.

TABLE 5.1
DESCRIPTIVE STATISTICS OF SAMPLE

Gender					
	Count	Cumulative	Percent	Cumulative %	% of all
Female	75	75	32.05	32.05	32.05
Male	159	234	67.95	100	67.95

Race					
	Count	Cumulative	Percent	Cumulative %	% of all
Black	133	133	56.83	56.83	56.83
White	101	234	43.17	100	43.17

Man grading					
	Count	Cumulative	Percent	Cumulative %	% of all
E,D4	7	7	2.99	2.99	2.99
D1-D3	33	40	14.10	17.09	14.10
C1-C4	194	234	82.91	100	82.91

Stakeholder grouping					
	Count	Cumulative	Percent	Cumulative %	% of all
REC	7	7	2.99	2.99	2.99
HR Management	5	12	2.14	5.13	2.14
Line Managers	28	50	11.97	21.37	11.97
HR Practitioners	23	73	9.83	31.20	9.83
Employees	171	234	73.07	100	73.07

Years in Business unit					
	Count	Cumulative	Percent	Cumulative %	% of all
< 2 years	51	51	21.79	21.79	21.79
< 2 years	183	234	78.21	100	78.21

5.2 RELIABILITY OF THE OPINION SURVEY

The researcher developed the opinion survey, with input from the various stakeholder groupings. The reliability of the opinion survey was not known at the time of data collection. Reliability refers to the attribute of consistency in measurement, and is best viewed as a continuum ranging from minimal consistency of measurement to near perfect repeatability of results (Gregory, 2000). Internal consistency of the questionnaire was determined by calculating the Cronbach alpha coefficient. The Cronbach alpha can be viewed as the average of the reliability coefficients that would result if all possible split-half analyses were performed (Finchilescu, 2002). The results of the Cronbach alpha are presented in Table 5.2.

TABLE 5.2
INTERNAL CONSISTENCY – COEFFICIENT ALPHA

Questionnaire label	Count	Cronbach alpha
Part B: completed by regional executive team and HR managers	12	0.815
Part C: completed by regional executive team, HR managers, line managers, and HR practitioners	63	0.907
Part D: completed by regional executive team, HR managers, line managers, HR practitioners, and employees	234	0.931
Part E: completed by regional executive team, HR managers, line managers, HR practitioners, and employees	234	0.940

When the Cronbach alpha is low, it indicates low reliability and this means that the measuring instrument is not consistent in its measurement. According to Allen and Yen (1979) as well as Ghiselli, Campbell and Zedeck (1981), a Cronbach alpha of .90 and above is ideal (especially for instruments used for selection purposes) and measures of .80 and above remain acceptable, while anything lower shows low reliability. Finchilescu (2002), however, indicated that reliability coefficients of .70 are adequate for research instruments. It is clear from the results that the reliability of the opinion survey was at an acceptable level.

5.3 VALIDITY OF THE OPINION SURVEY

A measuring instrument is valid if it in fact measures what it claims to measure. This judgement, in general, depends on whether the measuring instrument leads to inferences that are meaningful and useful (Finchilescu, 2002). More specifically, content validity refers to how well the measuring instrument represents the domain of the construct being measured, and one way of ascertaining the content validity is through face validity. Finchilescu (2002) noted that face validity refers to the appearance of the measuring instrument and whether respondents view the instrument as authentic.

Based on the feedback from respondents the opinion survey, developed by the researcher, had high face validity. The structured development process the researcher followed in the development thereof further enhanced the validity of the opinion survey. A discussion on the detailed development process is given in Chapter 4.

5.4 DESCRIPTIVE STATISTICS REGARDING THE QUESTIONS

5.4.1 Reporting of data

The sample size, mean, and standard deviation of each question (variable) are detailed in Table 5.3. The data collected from HR managers and HR practitioners were excluded in the calculation of these results.

TABLE 5.3
MEANS, STANDARD DEVIATIONS, AND FREQUENCIES

Variable	Mean	Std Dev	Minimum	Maximum	Valid N	
Evaluation question 1:	Q1	3.43	0.79	4	2	7
	Q2	2.71	0.95	4	2	7
	Q3	2.86	0.69	4	2	7
	Q4	2.57	0.53	4	2	7
	Q5	3.71	0.49	4	3	7
	Q6	2.43	0.79	4	2	7
	Q7	2.57	0.79	4	2	7
	Q8	3.57	0.79	4	2	7
	Q9	3.43	0.98	4	2	7
	Q10	3.14	0.90	4	2	7
	Q11	3.57	0.79	4	2	7
	Q12	3.00	1.29	5	2	7
	Q13	3.43	0.79	4	2	7
	Q14	2.71	0.95	4	1	7
	Q15	4.00	0.00	4	4	7
	Q16	2.86	1.07	4	2	7
	Q17	2.43	0.53	3	2	7
Evaluation question :	Q18	3.26	0.89	5	1	35
	Q19	3.79	0.83	5	1	35
	Q20	3.64	0.83	5	1	35
	Q21	2.95	0.90	5	1	35
	Q22	3.67	0.80	5	1	35
	Q23	3.38	0.87	5	1	35
	Q24	3.79	0.69	5	1	35
	Q25	3.57	0.82	5	2	35

	Q26	3.86	0.71	5	2	35
	Q27	3.41	0.92	5	1	35
	Q28	3.60	0.77	5	2	35
	Q29	3.47	0.79	5	2	35
	Q30	3.45	0.84	5	1	35
	Q31	3.60	0.83	5	2	35
	Q32	3.53	0.68	5	2	35
Evaluation question 3:	Q33	3.50	0.91	5	1	206
	Q34	3.08	1.00	5	1	206
	Q35	3.34	0.94	5	1	206
	Q36	3.16	1.05	5	1	206
	Q37	3.47	0.77	5	1	206
	Q38	3.65	0.93	5	1	206
	Q39	3.63	0.83	5	1	206
	Q40	3.22	0.99	5	1	206
	Q41	3.94	0.76	5	1	206
	Q42	3.55	0.87	5	1	206
	Q43	3.03	1.07	5	1	206
	Q44	3.62	0.85	5	1	206
	Q45	3.50	0.81	5	1	206
	Q46	3.28	0.90	5	1	206
	Q47	3.49	0.84	5	1	206
	Q48	3.59	0.70	5	1	206
	Q49	3.67	0.77	5	1	206
	Q50	3.61	0.82	5	1	206
	Q51	3.73	0.74	5	1	206
	Q52	3.74	0.72	5	1	206
	Q53	3.61	0.74	5	1	206
	Q54	3.70	0.70	5	1	206
	Q55	3.62	0.84	5	1	206
	Q56	3.62	0.85	5	1	206
	Q57	3.73	0.74	5	1	206
	Q58	3.70	0.71	5	1	206
Evaluation question 4:	Q59	3.40	0.73	5	1	206
	Q60	3.61	0.67	5	1	206
	Q61	3.61	0.84	5	1	206
	Q62	3.48	0.79	5	1	206
	Q63	3.45	0.73	5	1	206
	Q64	3.67	0.71	5	1	206
	Q65	3.49	0.79	5	1	206

Q66	3.68	0.76	5	2	206
Q67	3.67	0.71	5	1	206
Q68	3.60	0.73	5	1	206
Q69	3.65	0.70	5	2	206
Q70	3.67	0.71	5	1	206
Q71	3.57	0.75	5	1	206
Q72	3.57	0.74	5	2	206

5.4.2 Interpretation of data

The analysis of effectiveness rating scores provided average scores that indicate a significant central tendency, as the mean of each question was relatively close to 3.00. The highest standard deviation amongst the averages was 3.00, with a value of 1.29.

5.5 EFFECTIVENESS OF THE HR FUNCTION

The data obtained from the opinion survey will now be reported and interpreted.

5.5.1 Reporting of data

A summary of mean results per evaluation question and per evaluation criterion is presented in Table 5.4. The data collected from HR managers and HR practitioners were excluded in the calculation of these results.

Table 5.4
Mean Scores per Evaluation Question and Evaluation Criteria

Evaluation question	Evaluation criteria				
	Overall	Goals	Process	Competence	General
Question 1: Strategic partnership	3.08	3.06	2.86	3.33	2.65
Question 2: Administrative expert	3.53	3.40	3.66	3.51	3.53
Question 3: Employee champion	3.53	3.43	3.54	3.68	3.68
Question 4: Change agent	3.52	3.52	3.54	3.63	–
Overall level of effectiveness	3.43	3.35	3.40	3.54	3.28

5.5.2 Interpretation of data

Evaluators who subscribe to the constructivist / interpretivist and scientific paradigms, according to Davidson (2005), allow stakeholders to “make up their own minds” (p. 88) with regards to evaluation conclusions. To arrive at evaluation conclusions for the purpose of the present study, the researcher viewed any mean score of less than 3.20 as an indication of effectiveness below the acceptable level. This interpretive stance was supported by the various stakeholder groupings.

The overall effectiveness of the HR function was rated 3.43, which indicates an acceptable level of effectiveness. The ratings for the three evaluation criteria were (1) 3.35 (goals), (2) 3.40 (process of delivery), and (3) 3.54 (competency of the HR professionals). The overall rating for the general

categories was 3.28. All of the ratings can be viewed as an indication of acceptable levels of effectiveness.

The overall rating for evaluation question 1 concerning the effectiveness of the HR function in its role as strategic business partner, received the lowest rating (3.08). This low rating is a result of ratings below the acceptable level of two of the evaluation criteria, namely 3.06 (goals), and 2.86 (process of delivery), as well as 2.65 (general). Evaluation question 2 concerning the effectiveness of the HR function in its role as administrative expert, received the highest rating (3.52).

These results support the transformation debate in the HR literature and specifically the notion that HR functions traditionally focus on the transactional and growing need to align its processes to support and leverage business (Boninelli, 2004; Ulrich, 1997).

The positive rating for the administrative expert role as well as the positive ratings for the other roles is significant regarding the future transformation and growth potential of the HR function. Pfau and Kay (2002) stressed the importance of HR functions to establish credibility through performance of their basic operations before moving to more strategic areas. Each one of the evaluation questions will now be analysed in detail.

5.6 THE ROLE OF THE STRATEGIC BUSINESS PARTNER

Both the reporting and the interpretation of data regarding the evaluation question on the role of the strategic business partner are provided in this section.

5.6.1 Reporting of data

The overall rating (3.08), the ratings for two of the evaluation criteria, namely goals (3.06), and process of delivery (2.86) as well as the rating for general (2.65), were below the acceptable level for this evaluation question. The level of competence of the HR professionals (3.33), however, can be viewed as a positive building block for future growth. The detailed questions under this evaluation question are now to be interpreted

5.6.2 Interpretation of data

Question 1.6 and question 1.17 received the lowest ratings. Question 1.6 is a specific “process of delivery”-criteria question and question 1.17 a general question that was not classified under the three main evaluation criteria.

Number	Question	N	Mean	SD
1.6	HR provides inputs timeously / proactively for the strategic planning process.	7	2.43	0.79

Two qualitative themes supported this low rating. The first described the general reactive nature of HR inputs. The underlying tone to this theme is that the HR function only reacts to requests for information, and that little to no information is provided out of own initiative. The second theme was that the credibility of HR information was under question.

Ulrich (1997) highlighted the HR function’s role in benchmarking, knowledge exchange, and the identification of organisational capabilities. It is clear that these activities need to be proactive in order to leverage the strategic benefit to the organisation.

Number	Question	N	Mean	SD
1.17	The nature of HR practices is enabling (supportive of regional business objectives) and not restrictive.	7	2.43	0.53

The qualitative themes that informed this rating were (1) that the organisation had changed direction but HR policies remained unchanged and had become irrelevant, and (2) inconsistent application of policies by the HR function. Becker, Huselid and Ulrich (2001) confirmed the need for HR to take a leadership role to align and deliver services in a way that directly supports the implementation of the organisation strategy.

A number of other questions were rated below 3.2. These ratings were supported by qualitative themes.

Number	Question	N	Mean	SD
1.2	HR contributes effectively to the strategic debate in all segments of the balance scorecard.	7	2.71	0.95

The qualitative theme was that HR contributes actively in the people segment of the balance scorecard, but not in the other segments. Ulrich (1997) highlighted the fact that HR functions, in the process of becoming strategic partners, will need to be equally accountable for all segments of the balanced scorecard.

Number	Question	N	Mean	SD
1.3	HR provides intellectual leadership on the employee segment of the balance scorecard.	7	2.86	0.69

Lack of innovative leadership was identified as a central qualitative theme. The nature / habit of HR to “hide” behind policies and procedures further hamper the ability to lead on the employee segment. Although Ulrich (1997) is clear that HR functions needs to be the leaders of the employee segment of the balance scorecard, he calls for a balancing act when it comes to innovation. He suggested that HR professionals need to encourage innovation but still maintains efficiency.

Number	Question	N	Mean	SD
1.4	HR is effective in scanning the internal and external environment and provides inputs for the strategic planning process.	7	2.57	0.53

The HR function’s efforts, as noted in the qualitative themes are regarded as outdated and lacking the innovation that is required to be effective.

Number	Question	N	Mean	SD
1.7	HR ensures that all relevant data / information and resources are made available to support the strategic planning process in the region.	7	2.57	0.79

The HR function's participation in the strategic planning process seems to be without proper planning and lack integration of efforts. The question around data integrity is again highlighted. Ulrich (1997) warns against "afterthought, or add-on and isolation" in the strategic planning process (p. 59). The real challenge for HR functions, according to him, is to become an integral part of the business planning process and to ensure integration of HR practices into the business strategy.

Number	Question	N	Mean	SD
	In the role of Strategic Partner, HR professionals demonstrate the following competency:			
1.10	Knowledge and skills to deliver HR products and services (experts in their field).	7	3.14	0.90
1.12	Knowledge of organisational culture.	7	3.00	1.29

The central qualitative theme was that only pockets of HR professionals have the knowledge and skills to deliver – not the total HR function. In this respect Boninelli (2004) confirmed that HR functions of the future will have fewer but more highly skilled HR professionals. These skills, according to her will not only be in one or two core HR disciplines but rather across the full spectrum of HR disciplines. It will enable HR professionals to provide broader solutions that cover all the elements of people management.

Number	Question	N	Mean	SD
1.14	HR has the ability to influence corporate thinking with regard to strategic issues that may have a regional impact.	7	2.71	0.95

Due to a lack of credibility HR (local) cannot influence corporate HR on strategic issues. From the qualitative data it appears that credibility is associated with knowledge and skills, as well as a general lack of urgency and interest. The importance of this aspect is again addressed by Boninelli (2004) in the view that HR professionals of the future should (1) have the ability to influence alliance partners and (2) should lead change initiatives and not only implement change initiatives.

Number	Question	N	Mean	SD
1.16	HR policies and practices are aligned with strategic business objectives.	7	2.86	1.07

The theme repeated that HR does not lead or follow when the organisation direction changes. This renders HR products and services irrelevant at this point in time.

Question 1.15, "HR shows a positive and supportive attitude towards the regional executive team, when dealing with strategic issues", received the highest rating (4.00) under this evaluation question. This is an indication of positive intent but is not supported by effective goals and effective delivery.

A number of general qualitative themes provided further feedback with regards to the role of strategic partner that the HR function plays:

- The strategic partner role requires HR to understand and analyse the organisation from bottom to top.
- HR needs to respond to and support the real business needs. The current view is that HR does not support the “real business”. There is an imbalance in competencies within HR. Competencies need to be spread amongst all sections within HR.
- Business needs must dictate HR policy and not the other way around.

The above themes can be an indication that the HR function operates at what Ulrich (1997) called the “isolated” end of strategic planning (p.60). Ulrich (1997) noted that in these cases the HR plan becomes a process to shape and serve the HR function rather than business priorities and needs.

5.7 THE ROLE OF ADMINISTRATIVE EXPERT

Both the reporting and the interpretation of data regarding the evaluation question on the role of administrative expert are provided in this section.

5.7.1 Reporting of data

The overall rating for evaluation question 2 concerning the effectiveness of the HR function in its role as administrative expert was 3.55. The ratings for the three evaluation criteria were (1) 3.40 (goals), (2) 3.66 (process of delivery), and (3) 3.51 (competency of the HR professionals). All of the ratings can be viewed as an indication of acceptable levels of effectiveness. These findings can be explained and interpreted in the following way:

5.7.2 Interpretation of data

Question 21 (2.4) received the lowest rating.

Number	Question	N	Mean	SD
2.4	HR measures the effectiveness of HR processes in terms of cost and quality.	35	2.95	0.90

One of the most important functions of an HR measurement system, according to Becker, Huselid and Ulrich (2001), is that it provides a means to identify the discrepancies between the organisation's current and its ideal HR architecture. Such an assessment needs to focus on both cost and benefits (quality).

The qualitative theme was that there is no or little evidence that HR is cost or quality conscious.

Question 26 (2.9) received the highest rating

Number	Question	N	Mean	SD
2.9	The HR processes ensure that employees' service requirements are met (benefit changes, training registration, leave requests, etc.).	35	3.86	0.71

This is an indication that transactional activities, the foundation of the administration architecture, are effective in the eyes of the participants.

A number of qualitative themes were captured:

- Confidentiality is not on standard (information leaks too often).

- HR systems need to be user-friendlier.
- General lack of integration with regards to operational processes (e.g. the resignation of an employee does not automatically trigger all the required actions, systems, and processes).
- In general, new technologies are prematurely implemented with large numbers of system related problems that have a negative effect on productivity.
- Not all competencies are evident in all HR professionals.

The mentioned themes can be an indication that the HR function does not address what Ulrich (1997) called the “two phases of reengineering” that needs to be mastered by the administrative expert (p. 120). The two phases consist of (1) improving processes (streamline, automate) and (2) rethinking value creation.

5.8 THE ROLE OF EMPLOYEE CHAMPION

Both the reporting and the interpretation of data regarding the evaluation question on the role of employee champion are provided in this section.

5.8.1 Reporting of data

The overall rating for evaluation question 3 concerning the effectiveness of the HR function in its role as employee champion was 3.52. The ratings for the three evaluation criteria were (1) 3.43 (goals), (2) 3.54 (process of delivery), and (3) 3.68 (competency of the HR professionals). All of the ratings can be viewed as an indication of acceptable levels of effectiveness. These findings can be explained and interpreted in the following way:

5.8.2 Interpretation of data

Question 43 (3.11) received the lowest rating

Number	Question	N	Mean	SD
3.11	HR ensures the appointment of competent, suitable employees.	206	3.03	1.07

The qualitative themes painted a negative picture of the outcomes of the current recruitment process, with specific emphasis on the impact of employment equity targets:

- The current recruitment process does not do enough to identify the required competencies for a position and then evaluate those in the candidates.
- The process (selection and appointment) is not fair.
- Employment equity targets detract from the quality of appointments.

The indication is that the recruitment practice in the business unit is effective (question 35 / 3.3) as it received a rating of 3.34. The participants did however, not view the end results as effective.

Other questions that were rated below 3.2:

Number	Question	N	Mean	SD
3.2	HR provides products and services that assist employees to deal with organisational demands and pressure. <u>Indicate your current experience of the effectiveness of the</u>	206	3.08	1.00

following products and services:

a) Manpower planning (supply and demand / planning / pipelining / resources allocation).

The qualitative themes supported the low rating of effectiveness:

- HR does not take an active lead in dealing with strategic human resources planning.
- HR guards target and does not assist line managers with resource demands.
- HR is not in touch with the needs of the business.

Number	Question	N	Mean	SD
3.4	HR provides products and services that assist employees to deal with organisational demands and pressure. <u>Indicate your current experience of the effectiveness of the following products and services:</u> c) Remuneration and benefits (market related salaries / car schemes / etc.).	206	3.16	1.05

The qualitative themes gave a mixed picture of positives and negatives:

- HR remuneration and benefit products and process are progressive.
- Car allowances are not on standard.
- Competency plays too small a part in the remuneration of employees.

Question 41 (3.9) received the highest rating.

Number	Question	N	Mean	SD
3.9	<p>HR provides products and services that assist employees to deal with organisational demands and pressure. <u>Indicate your current experience of the effectiveness of the following products and services:</u></p> <p>h) Employee wellness (occupational health / employee assistance programme / biokinetics).</p>	206	3.94	0.76

The qualitative themes, however, indicated that employees need more information with regards to the various wellness products and services.

A number of further qualitative themes emerged with regards to the role of employee champion:

- HR needs to be an example to the business with regards to people management.
- HR professionals generally serve organisational policies and targets rather than employee needs.
- The HR function is reactive in taking action (a problem situation must first occur).
- Giving feedback is a general weak point (organisational surveys).
- The HR function's approach to work through line managers (communication / feedback / advice) does not always serve the needs of the employees.
- There are very few multidisciplinary approaches by HR to address organisational needs.
- Some HR employees are giving the department a bad name.

5.9 THE ROLE OF CHANGE AGENT

Both the reporting and the interpretation of data regarding the evaluation question on the role of change agent are provided in this section.

5.9.1 Reporting of data

The overall rating for evaluation question 4 concerning the effectiveness of the HR function in its role as change agent was 3.52. The ratings for the three evaluation criteria were (1) 3.52 (goals), (2) 3.54 (process of delivery), and (3) 3.63 (competency of the HR professionals). All of these ratings can be viewed as an indication of acceptable levels of effectiveness. These findings can be explained and interpreted in the following way:

5.9.2 Interpretation of data

Question 59 (4.1) received the lowest rating, although it is still above the level of 3.2.

Number	Question	N	Mean	SD
4.1	HR shows change leadership by initiating transformation first within the HR function.	206	3.40	0.73

It is important to note that the regional executive team, as custodians of strategy in the business unit, only gave a rating of 2.57 for this question. The HR function's leadership role internal to the function was not recognised by the regional executive team.

Other qualitative themes that emerged with regards to the role as change agent were:

- HR is too far removed from employees to understand their needs.
- HR expects line managers to play the change facilitator role.
- HR does not play an active role in conflict management.
- The competencies needed to play the change agent role are not consistent across all HR employees.

5.10 COMPARING THE PERCEPTIONS OF LINE PARTICIPANTS AND HR

One of the mayor barriers to the transformation of an HR function is the possible difference in perception between line representatives and HR with regards to the effectiveness of the HR function. Pfau and Kay (2002) highlighted such differences in perception by means of the results of a research study that was conducted at Cornell. The results of the Cornell study indicated in all dimensions that line representatives rated HR lower than HR itself.

For the present study the researcher compared the perception of the different stakeholder groupings with the perception of the HR professionals. This was done per evaluation question. The t-test is used to determine whether the means of two samples are sufficiently different to conclude that the results in fact were drawn from two distinct populations (Nunez, 2002). Independent samples t-tests were used to compare the results of the stakeholder groupings with the results of the HR professionals. The results of these t-tests are presented in Table 5.5, Table 5.6, Table 5.7, and Table 5.8.

5.10.1 Reporting of data

Table 5.5 presents the results of the t-tests for evaluation question 1.

TABLE 5.5
INDEPENDENT SAMPLES T-TEST RESULTS: EVALUATION QUESTION 1

	Group	Mean	SD	df	t
Strategic Partner					
Goals	REC (n=7)	15.29	2.14	10	-3.244**
	HRM (n=5)	18.80	1.30		
Process	REC	8.57	0.79	10	-2.837*
	HRM	10.60	1.67		
Competencies	REC	23.29	3.25	10	-0.754
	HRM	24.60	2.51		

** = $p < .01$

* = $p < .05$

5.10.2 Interpretation of data

The results given in Table 5.5 indicated a significant difference ($p < .01$) in perception between the regional executive team and the HR management team with regards to goals that the HR function has as strategic partner. The results further indicated a significant ($p < .05$) difference in perception of the effectiveness of the HR function as a strategic partner regarding the process of delivery. In both these instances the HR managers had a higher mean score, indicating a more positive perception of effectiveness.

5.10.3 Reporting of data

Table 5.6 presents the results of the t-tests for evaluation question 2.

TABLE 5.6
INDEPENDENT SAMPLES T-TEST RESULTS: EVALUATION QUESTION 2

	Group	Mean	SD	df	t
Administrative expert					
Goals	REC/LM (n=35)	13.09	2.57	60	-2.232*
	HRM/HRP (n=28)	14.48	2.26		
Process	REC/LM	17.37	3.25	60	-2.376*
	HRM/HRP	19.26	2.89		
Competencies	REC/LM	20.49	3.42	60	-1.616
	HRM/HRP	22.00	3.94		

** = $p < .01$

* = $p < .05$

5.10.4 Interpretation of data

The results in Table 5.6 indicated a significant difference ($p < .05$) in perception between the stakeholder grouping (REC and line management), and the HR function (management team and HR practitioners), with regards to the effectiveness the HR function has as administrative expert regarding goals and process of delivery. In both instances the HR function had a higher mean score, indicating a more positive perception of effectiveness.

5.10.5 Reporting of data

Table 5.7 presents the results of the t-tests for evaluation question 3.

TABLE 5.7
INDEPENDENT SAMPLES T-TEST RESULTS: EVALUATION QUESTION 3

	Group	Mean	SD	df	t
Employee champion					
Goals	REC/LM/ Employees (n=206)	37.44	6.33	233	-2.066*
	HRM/HRP (n=28)	39.93	4.95		
Process	REC/LM/ Employees	24.77	3.92	233	-0.464
	HRM/HRP	25.13	4.87		
Competencies	REC/LM/ Employees	18.40	3.02	233	-0.897
	HRM/HRP	17.87	3.36		

** = $p < .01$

* = $p < .05$

5.10.6 Interpretation of data

The results in Table 5.7 indicated a significant difference ($p < .05$) in perception between the stakeholder grouping (REC / line management and employees), and the HR function (management team and HR practitioners), with regards to goals that the HR function has as employee champion. The HR

function had a higher mean score, indicating a more positive perception of effectiveness.

5.10.7 Reporting of data

Table 5.8 presents the results of the t-tests for evaluation question 4.

TABLE 5.8
INDEPENDENT SAMPLES T-TEST RESULTS: EVALUATION QUESTION 4

	Group	Mean	SD	df	t
Change agent					
Goals	REC/LM/ Employees (n=206)	14.10	2.47	232	0.200
	HRM/HRP (n=28)	14.00	2.70		
Process	REC/LM/ Employees	10.61	1.92	232	-0.245
	HRM/HRP	10.70	1.99		
Competencies	REC/LM/ Employees	25.61	5.03	232	0.256
	HRM/HRP	25.37	4.10		

** = $p < .01$

* = $p < .05$

5.10.8 Interpretation of data

The results did not indicate any significant differences in perception between the two stakeholder groupings. The significant differences in perception, as

highlighted by the results, confirm the results in the Cornell study, as presented by Pfau and Kay (2002).

5.11 CHAPTER SUMMARY

The results emphasised that the strategic partner role played by the HR function is below the acceptable level of effectiveness. This result is supported by the relevant theory in that the move towards a more prominent strategic contribution is the key transformational challenge for HR functions. The results, again aligned to the theory, confirmed that the HR function is effective in its role as administration expert and that this strength might be the platform from which the role of strategic partner can be developed. Specific needs raised by stakeholders in general received noticeable lower ratings. The central themes are around the inability of the HR function to respond to business needs, reactive behaviour and rigid policies and procedures. The results further highlighted the significant differences in perception between the stakeholder groupings and the HR function. It is clear that the HR function holds a much more positive perception of their own effectiveness than the rest of the business unit. This can be a mayor barrier to transformation and growth

Chapter 6 will deal with conclusions, recommendations, and limitations.

CHAPTER 6

CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

This chapter will focus on the key conclusions, recommendations to the HR function on possible strategies to improve effectiveness and limitations of the study.

6.1 CONCLUSIONS

The aim with the research was to evaluate the effectiveness of the HR function in a business unit of a public utility. The HR function was evaluated against the current trends of transition within the world of HR management, as described in the literature. A further specific aim was to analyse and determine the most suitable evaluation methodology for the evaluation of an HR function.

6.1.1 Conclusions on the first specific aim

The first specific aim which was to analyse the latest trends and developments in HR functions, highlighted the significant role that employees play in organisational performance, and conclude as a result of this growing significance, HR functions find themselves under pressure to redefine and re-evaluate their contribution.

Various authors expressed views on a possible roadmap or blueprint for the HR function of the future. A picture emerged that the majority of literature on HR transformation, in the last decade, was influenced by Ulrich's multi-role

model for human resource management. Ulrich's (1997) model dictate that HR functions and HR professionals need to play roles at (1) a strategic, (2) organisational infrastructure, (3) employee contribution and (4) at a transformational and change management level, in order to be successful in the current and future world of work.

It is the researcher's view that Ulrich's model successfully describes the broad direction and transformational priorities for HR functions but does not provide sufficient sub-categories or dimensions in order to use the model for an effective evaluation. Further analyses of the HR roles were required in order to meet the specific information needs of the key stakeholders who requested the evaluation. In practice it meant braking down the four HR roles into dimensions or actions that sufficiently described the operational purpose of each of the roles. The analyses resulted in an enhanced operational view of the HR roles that was more suited for effective evaluation.

Other than Ulrich's work, the literature fails to produce a holistic, integrated model against which HR functions and HR professionals can evaluate their effectiveness. A number of HR effectiveness dimensions, other than the mentioned HR roles, were found in the literature. These were consolidate and integrated by the researcher into a more comprehensive model of HR effectiveness. This model focuses on the following dimensions:

- Alignment of HR products and services with organisational strategic direction.
- HR ability to respond to changes in the environment
- HR roles (as per Ulrich's multi-role model)
- HR structuring and system enablement
- Alignment of HR competencies to influence organisational behaviour

It can be argued that most of these dimensions are implicated under Ulrich's HR roles, but it is the view of the researcher that it needs to be highlighted separately due to the significance thereof and specifically for evaluation purposes.

6.1.2 Conclusions on the second specific aim

The second specific aim was to analyse and explore different evaluation methodologies in order to develop a theoretical evaluation model for the evaluation of a HR function. The literature can be divided into different categories with reference to evaluation of HR effectiveness. Relative productiveness and cost effectiveness, value adding to business performance and internal customer perspective are some of those categories.

This specific research was conducted from an internal customer expectation viewpoint, with regards to the effectiveness of the HR function. Participatory evaluation, an integrated, activity-social investigation with the full and active participation of stakeholders in the entire process, emerged as the most suitable evaluation methodology for this type of evaluation.

The researcher further concluded that the evaluation model developed by Koortzen and Baloyi (2004a, 2004b), originally for the evaluation of wellness programmes, can with ease be adopted to evaluate the effectiveness of a HR function. The evaluation model consists of nine distinguishable phases:

- Determining the purpose of the evaluation
- Identifying the stakeholders and their information needs
- Define the evaluation questions
- Conducting needs and evaluability assessments
- Identifying evaluation criteria
- Developing a full evaluation plan

- Implementing the plan
- Consolidating and reporting
- Corrective action and re-planning

The HR transformation constructs were combined with the mentioned evaluation model to develop a theoretical evaluation model for the effectiveness of the HR function. Lastly, from analyses of the literature, the researcher concluded that an evaluation of the HR roles and other HR transformational constructs would only produce a one dimensional view of HR effectiveness and an additional three (3) dimensions, namely outcomes (goals), process and competence of HR professionals were added per HR role. This resulted in a multi-dimensional evaluation perspective of the effectiveness of the HR function.

6.1.3 Conclusions on the third specific aim

The third specific aim was to design and execute a quantitative and qualitative evaluation of the effectiveness of a HR functions in a business unit of a public utility. The overall effectiveness of the HR function was rated 3.43, which indicates an acceptable level of effectiveness. The ratings for the three evaluation criteria are (1) goals 3.35, (2) process of delivery 3.40 and (3) competency of the HR professionals 3.54. The overall rating for the general categories is 3.28. All of the ratings can be viewed as an indication of acceptable levels of effectiveness. Conclusions on the results will be presented per HR role

6.1.3.1 The role of Strategic Business Partner

In line with the theoretical expectations, the results revealed that the HR function's (evaluated in this study) biggest challenge is to transform and grow

into the role of strategic partner. Overall the role of strategic partner was rated as 3.08, with the evaluation criteria rated as 3.06 for goals, 2.86 for process, 3.33 for competence and 2.65 for general. It can be concluded that the ratings are as a result of:

- HR traditionally performed the operational administrative role and still needs to grow in the role of strategic partner. Specific administrative mindsets exist with lesser insight into the meaning of strategic partnership.
- As a result of this traditional role played by HR, it was never included in the strategic debate or actively involved in the development of the strategic plan.
- HR is perceived not to understand the strategic goals of the organisation and is therefore marginalised in its participation in the strategic activities of the organisation.
- HR is not able to proactively align its policies and therefore products and services with business requirements, resulting in the notion of being irrelevant to the strategic debate.
- HR lack the competence to participate at the strategic level

Pfau and Kay (2002; 294) confirmed the above in what they called “the battle against perception”, that HR is administrative implementers and that it first need to raise its own profile and prove that it can add value at a strategic level. In the same fashion Ulrich (1997) urge HR to proactively engage in benchmarking, knowledge exchange and the identification of organisational capabilities in order to be ready and able to leverage the strategic benefit to the organisation.

6.1.3.2 The role of administrative expert

The HR function has the advantage of an acceptable rating of 3.53 for the overall role of Administrative Expert with ratings of 3.40 for goals, 3.66 for process and 3.51 for competence. It can be concluded that the ratings are as a result of:

- Administration was the traditional stronghold of the HR function
- HR possess the necessary competence to play this role
- The sophistication that technology brought to the HR administration systems, which allow for proper workflow and a variety of self-serves.

The results can be viewed as the foundation from which the strategic role can be developed. This view is supported by Pfau and Kay (2002) who stressed the importance for HR functions to establish credibility through performance of their basic operations before moving to more strategic areas. A final conclusion is that cost – benefit analyses is the logical next step for the HR function to take, in order to stay effective in this role.

6.1.3.3 The role of employee champion

The overall rating for the role of Employee Champion - is 3.52. The ratings for the three evaluation criteria are (1) goals 3.43, (2) process of delivery 3.54 and (3) competency of the HR professionals 3.68. All of the ratings can be viewed as an indication of acceptable levels of effectiveness. It can be concluded that the ratings are as a result of:

- The broad set of products and services that the HR function provide to employees
- HR directives, policies and practices that support the HR product set
- Conditions of employment that are negotiated with Trade unions
- The structuring principles adopted by the HR function where an HR professional is assigned to a specific internal customer base.

- The level of HR product knowledge display by the HR professionals

It is however the view of the researcher that the HR function needs to re-look a number of key HR products and services if it want to maintain or improve the current level of effectiveness. These aspects will be discussed under the recommendations.

6.1.3.4 The role of change agent

The overall rating for the role as Change Agent - is 3.52. The ratings for the three evaluation criteria are (1) goals 3.52, (2) process of delivery 3.54 and (3) competency of the HR professionals 3.63. All of the ratings can be viewed as an indication of acceptable levels of effectiveness. It can be concluded that the ratings are as a result of:

- The active facilitation role that HR play in organisational change
- The competence levels that HR professional display in the development and management of change processes
- The standardised change management models and products used by the HR function
- The effectiveness of communication between HR and employees

6.1.3.5 General conclusions

The results further aligned with previous findings from literature that the perception HR holds of their own effectiveness is more positive than that of internal stakeholders. T-test results indicate significant differences ($t = -3.244$; $p < 0.01$) in perception between the Regional executive team and the HR management team with regards to goals that the HR function have as Strategic Partner. Similar results were confirmed for the other evaluation questions. The conclusion from this is that the HR function lacks an effective

process for objective feedback and self critique. It can further be an indication of a communication breakdown with senior management.

6.2 RECOMMENDATIONS

Building on the conclusions, it can be recommended that the HR function commit to an annual evaluation process, in partnership with key stakeholders. The benefit of such process is underlined by Pfau and Kay (2002) in that successful companies understand that transforming the HR function and processes require regular in-depth analyses. HR can improve effectiveness and efficiencies by identifying existing problems, creating detail solutions and reinventing HR structure. The recommendation of regular evaluation implies the obvious in that the HR function, in this evaluation, needs to work through the results of this evaluation and develop a plan of action to address the highlighted issues. Detail recommendations per HR role will now follow.

6.2.1 Recommendations for HR Strategic Business Partner

The HR function, and specifically the HR management team to embrace the leadership role with regards to people management within the business unit. The results, qualitative and quantitative confirmed the need for such a strategic leadership role. It can be achieved by:

- Analysing the strategic thinking competency profile of each of the members of the HR management team, and the HR management team as a unit. This can be done through a variety of psychometric instruments. Such a profile will guide the HR management team on (1) development needs (training) per individual manager and for the team as a unit, (2) effective utilisation of individual strategic abilities within the team, and (3) decisions on broadening the team's strategic thinking ability either through recruitment or "buy-in" of strategic thinking ability.

- Ensuring that HR is part of the strategic debate within the business unit. This can be achieved through (1) proper stakeholder management, (2) pro-active availing of people management information that will influence the strategic debate and (3) demonstrating the understanding and insight to the business purpose and objectives. Specific emphasis needs to be placed on the knowledge of organisational culture and the ability to scan the external environment. Ulrich (1997) highlight the HR function's role in benchmarking, knowledge exchange and the identification of organisational capabilities. It is clear that these activities need to be proactive in order to leverage the strategic benefit to the organisation.
- Ensuring the alignment of HR policy, products and services with the business unit's needs. This can be achieved through (1) owing up to the intellectual leadership role for the people management segment of the balance scorecard, and (2) through the active scrutiny of current HR policy to ensure alignment with business direction. This might imply challenging and influencing Corporate HR (Head Office) direction setting.

6.2.2 Recommendations for Administrative Expert

A cost and quality awareness needs to be developed by the HR function. It is recommended that the HR function:

- Implement a benefit realisation process to investigate the cost and quality aspects of current HR systems
- Feedback these results back into the business unit in order to create confidence in HR's commitment to business efficiency. Becker, Huselid and Ulrich (2001) stressed the need for the HR function to identify the discrepancies between the organisations current and ideal HR

architecture. Such an assessment needs to focus on both cost and benefits (quality).

- Continuously raise awareness on aspects of confidentiality and ethics. Monthly work team sessions can be the appropriate vehicle for implementation.
- Apply continuous business improvement principles to HR systems in the quest for full integration of operational processes and system functionality as well as data integrity. A self-audit process is recommended.

6.2.3 Recommendations for Employee Champion

Specific HR products came under criticism and need to be addressed

- Resource planning – it is recommended that the HR function adopted a strategic resource process that will ensure the integration of aspects such as (1) external and internal pipelining, (2) succession management, (3) talent management and (4) retention. The literature indicates that organisations that achieve success in resource planning create an integrated forum with Line management and other stakeholders to address all aspects of resource planning. The role of the HR function will be to initiate such a process and then to sustain the process through facilitation.
- Remuneration – it is recommended that the HR function endeavour to educate the broad population of employees on the existing remuneration principles applied with the business unit.
- The HR function to adopt, as a value, the practice to lead by example with regards to people management
- The competency profile of the HR function needs to be examined and a plan of action must be implemented to ensure that all HR professionals

have the necessary competencies to deliver on the entire HR product and services range.

6.2.4 Recommendations for Change Agent

It is recommended that the HR function:

- Adopt a specific change management philosophy that will be used as a standard for the management of change in the business unit. Key steps to this is (1) training of all HR professionals on the philosophy and associated methodology, (2) education of the broader business on the methodology, and (3) HR to take the lead in the application of the methodology. This will be key to the future implementation of new HR products
- The HR function to play a more active role in conflict management in the business unit

As a last general recommendation, it is the researcher's view that the HR function needs to re-evaluate its current values, and to adopt a value system that will reward innovation, personal credibility and proactive delivery. This needs to be complemented with an extensive development initiative that will (1) assess the current competency level of each HR professional and (2) will close the gap.

6.3 LIMITATIONS OF THE STUDY

Three main limitations to the study were identified. Firstly, the limited scope of the study, being only one HR function, in one business unit of a much larger utility, does not promote generalisation of the findings. Secondly, the scope of the evaluation could have been increased to include evaluation criteria such as cost and benefit realisation. HR needs to ask questions with regards to its cost

effectiveness. At what point is outsourcing of the function a viable option. The evaluation could further have included data or evidence from organisational records. The evaluation could typically have included a comparison of the HR function's vision, values and products with that of the broader HR community within the utility and specifically with that of the Divisional HR direction.

A further limitation is the active involvement of stakeholders in the evaluation process. The researcher initially actively engaged all of the stakeholder groupings but this partnership faded in the later phases of the evaluation. Koortzen and Baloyi (2004a, 2004b) warned against this specific limitation. This may have a negative impact on the acceptance and implementation of recommendations.

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ANNEXURE A

OPINION SURVEY

Measuring

EFFECTIVENESS OF THE HUMAN RESOURCES (HR) FUNCTION IN THE SOUTHERN REGION (SR)

You have been selected to participate in this survey – we trust that you will take a few minutes to assist us.

Your opinions **on the effectiveness of the HR function in the SR**, are important to the business and also to the success of HR service delivery. The information gained in this survey will be used for research purposes and to guide us in developing strategies for corrective action.

Please participate in this survey and answer all questions honestly and objectively. Your information will be treated **confidentially** and you will not be identified by any means. Thank you for your co-operation. **Completed forms must be returned to your HRP or to Gerrit Walters.**

The questionnaire will be completed by different stakeholder groupings, aligned to the information needs of that specific grouping. The objective is to obtain specific feedback that will be utilised to improve the HR service to the Region. The questionnaire contains questions on (1) the goals of HR, (2) the process of service delivery and (3) the competencies in HR to deliver the required service.

SECTION A: BIOGRAPHICAL DATA

Please complete the following by placing a cross in the appropriate block:

Question 1: In which department do you work?

Department	Tick with X
Field Services	
MEW	
Programme Management	
Network Service	

Office use
A-E1
E2
E3
E4

Electricity Delivering	
Customer Services	
Sales and Marketing	
Finance	
Human Resources	
Information management	
Commercial Services	

E5
CS1
CS2
S1
S2
S3
S4

Question 2: In what Regional area is your workstation?

Area	Tick with X
Mthatha	
East London	
Queenstown	
PE / Uitenhage	

Office use
RA1
RA2
RA3
RA4

Question 3: What is your current man grade (Patterson grading)

Man Grade	Tick with X
CCL	
CCU	
M/ P/ MMU / E	

Office use
PG1
PG2
PG3

Question 4: How many years have you worked in the Southern Region?

Number of years	Tick with X
Less than 2 years	
2 years to 5 years	
More than 5 years	

Office use
RE1
RE2
RE3

SECTION B: This section is to be completed by the **Regional Executive Team and HR Management team only**. You are requested to complete a number of questions, indicating your current experience on the effectiveness of the HR function in the Southern Region.

EVALUATION QUESTION 1: HOW EFFECTIVENESS IS THE HR FUNCTION IN ITS ROLE AS A STRATEGIC BUSINESS PARTNER? (Design and implement HR practices that align with business strategy)

Part 1: Effectiveness in achieving goals (evaluation criteria)

1.1 HR participates effectively in the Regional strategic planning process.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gq1-Q1

Any other comments / views on the above?-----

1.2 HR contributes effectively to the strategic debate in all segments of the balance scorecard.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gq2-Q2

Any other comments / views on the above?-----

1.3 HR provides intellectual leadership on the employee segment of the balance scorecard.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gq3-Q3

Any other comments / views on the above?-----

1.4. HR is effective in scanning the internal and external environment and provides inputs for the strategic planning process.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gq4-Q4

Any other comments / views on the above?-----

1.5. Information provided by HR for the strategic planning process is relevant and useful.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gq5-Q5

Any other comments / views on the above?-----

Part 2: Effectiveness in the process of delivery (evaluation criteria)

1.6. HR provides inputs timeously / pro-actively for the strategic planning process.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-pq1-Q6

Any other comments / views on the above?-----

1.7 HR ensures that all relevant data / information and resources are made available to support the strategic planning process in the Region.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-pq2-Q7

Any other comments / views on the above?-----

1.8.HR plays a facilitation role in the strategic debate in the Region

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-pq3-Q8

Any other comments / views on the above?-----

Part 3: HR competencies (evaluation criteria)

1.9 In the role of Strategic Partner, HR professionals demonstrate the following competency

a) Knowledge of the business (in order to contribute effectively to the planning process)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq1-Q9

Any other comments / views on the above?-----

1.10 In the role of Strategic Partner, HR professionals demonstrate the following competency

b) Knowledge and skills to deliver HR products and services (experts in their field)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq2-Q10

Any other comments / views on the above?-----

1.11 In the role of Strategic Partner, HR professionals demonstrate the following competency

c) Ability to manage change (“moving” the people side of the Region towards Business goals)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq3-Q11

Any other comments / views on the above?-----

1.12 In the role of Strategic Partner, HR professionals demonstrate the following competency

d) Knowledge of organisational culture (“Keepers of the culture”/ understanding globalisation / transformation champions / new ways of looking at traditional HR problems)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq4-Q12

Any other comments / views on the above?-----

1.13 In the role of Strategic Partner, HR professionals demonstrate the following competency

e) Personal credibility (Live organisational values / build relationships / having a point of view)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq5-Q13

Any other comments / views on the above?-----

1.14 HR has the ability to influence Corporate thinking with regard to strategic issues that may have a Regional impact.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq6-Q14

Any other comments / views on the above?-----

1.15 HR shows a positive and supportive attitude towards the Regional executive team, when dealing with strategic issues.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-cq7-Q15

Any other comments / views on the above?-----

Part 4: General HR policies and practices (evaluation criteria)

1.16 HR policies and practices are aligned with strategic business objectives

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gl1-Q16

Any other comments / views on the above?-----

1.17 The nature of HR practices is enabling (supportive of Regional business objectives) and not restrictive.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E1-gl2-Q17

Any other comments / views on the above?-----

1.18 Any other comments / views on the effectiveness of HR as a **Strategic Partner?**

0-0-0-0

SECTION C: This section is to be completed by Regional Executive Team, HR Managers, Line Managers, and HR practitioners. You are requested to complete a number of questions, indicating your current experience on the effectiveness of the HR function in the SR.

EVALUATION QUESTION 2: HOW EFFECTIVENESS IS THE HR FUNCTION IN ITS ROLE AS ADMINISTRATIVE EXPERT? (Reengineering of organisational processes)

Part 1: Effectiveness in achieving goals (evaluation criteria)

2.1 HR participates effectively in both business and HR process reengineering in order to improve the efficiency of HR practices.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-gq1-Q18

Any other comments / views on the above?-----

2.2 HR effectively manages the HR operational processes (leave process / further study / employee records, etc)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-gq2-Q19

Any other comments / views on the above?-----

2.3 The HR administrative system enables the processing of transactions with effective workflow management.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-gq3-Q20

Any other comments / views on the above?-----

2.4 HR measures the effectiveness of HR processes in terms of cost and quality

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-gq4-Q21

Any other comments / views on the above?-----

Part 2: Effectiveness in the process of delivery (evaluation criteria)

2.5 HR implements new technological solutions (manager self-service / employee self-service / captrade / e-contracting) at appropriate levels in the organisation

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-pq1-Q22

Any other comments / views on the above?-----

2.6 HR's technological solutions are user-friendly and improve the efficiency of the HR processes

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-pq2-Q23

Any other comments / views on the above?-----

2.7 HR administrative processes ensure the availability of employee data at any given time

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-pq3-Q24

Any other comments / views on the above?-----

2.8 HR administrative processes support easy access to, and the effective manipulation of relevant employee information

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-pq4-Q25

Any other comments / views on the above?-----

2.9 The HR processes ensure that employee's service requirements (benefit changes, beneficiary changes, training registration, leave requests, etc) are met.

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-pq5-Q26

Any other comments / views on the above?-----

Part 3: HR competencies (evaluation criteria)

2.10 In the role of Administrative Expert, HR professionals demonstrate the following competency

a) Knowledge of the business (in order to contribute effectively to the reengineering of business and HR processes)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-cq1-Q27

Any other comments / views on the above?-----

2.11 In the role of Administrative Expert, HR professionals demonstrate the following competency

b) Knowledge and skills to deliver HR products and services (experts in their field)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-cq2-Q28

Any other comments / views on the above?-----

2.12 In the role of Administrative Expert, HR professionals demonstrate the following competency

c) Ability to manage change (effective implementation of new processes / systems)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-cq3-Q29

Any other comments / views on the above?-----

2.13 In the role of Administrative Expert, HR professionals demonstrate the following competency

d) Knowledge of organisational culture (Looking at new ways of dealing with traditional HR processes and systems)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-cq4-Q30

Any other comments / views on the above?-----

2.14 In the role of Administrative Expert, HR professionals demonstrate the following competency

e) Personal credibility (Live organisational values / build relationships / having a point of view)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-cq5-Q31

Any other comments / views on the above?-----

Part 4: General (evaluation criteria)

2.15 HR processes ensure data integrity

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E2-gl1-Q32

Any other comments / views on the above?-----

2.16 Any other comments / views on the effectiveness of HR as an Administrative Expert?

0-0-0-0

SECTION D: This section is to be completed by Regional Executive Team, HR Managers, Line Managers, Employees, Trade unions and HR practitioners. You are requested to complete a number of questions, indicating your current experience on the effectiveness of the HR function in the SR.

EVALUATION QUESTION 3: HOW EFFECTIVENESS IS THE HR FUNCTION IN ITS ROLE AS EMPLOYEE CHAMPION? (Providing resources and services to employees)

Part 1: Effectiveness in achieving goals (evaluation criteria)

3.1 HR professionals effectively assist employees to deal with organisational demands and pressure (doing more with less resources)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq1-Q33

Any other comments / views on the above?-----

3.2 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

a) Manpower planning (supply and demand planning / pipelining / resources allocation)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq2-Q34

Any other comments / views on the above?-----

3.3 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

b) Recruitment and placement

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq3-Q35

Any other comments / views on the above?-----

3.4 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

c) Remuneration management and benefits (market related salaries / car schemes / etc)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq4-Q36

Any other comments / views on the above?-----

3.5 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

d) Performance Management

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq5-Q37

Any other comments / views on the above?-----

3.6 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

e) Training and Development

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq6-Q38

Any other comments / views on the above?-----

3.7 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

f) Industrial relations

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq7-Q39

Any other comments / views on the above?-----

3.8 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

g) Career development and counselling

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq8-Q40

Any other comments / views on the above?-----

3.9 HR provides products and services that assist employees to deal with organisational demands and pressure. Indicate your current experience on the effectiveness of the following products and services:

h) Employee wellness (Occupational health, Employee Assistance Programme and Biokinetics)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq9-Q41

Any other comments / views on the above?-----

3.10 HR ensures that employees receive fair treatment within the workplace (employee advocate role)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq10-Q42

Any other comments / views on the above?-----

3.11 HR ensures the appointment of competent, suitable employees

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gq11-Q43

Any other comments / views on the above?-----

Part 2: Effectiveness in the process of delivery (evaluation criteria)

3.12 HR responds timeously to service delivery requests

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq1-Q44

Any other comments / views on the above?-----

3.13 HR service delivery is characterised by the speed of delivery (suitable response time to service delivery requests)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq2-Q45

Any other comments / views on the above?-----

3.14 HR service delivery in general is pro-active in nature

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq3-Q46

Any other comments / views on the above?-----

3.15 HR effectively facilitates discussions between line managers and employees in times of conflict / disagreement

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq4-Q47

Any other comments / views on the above?-----

3.16 The content of HR products (surveys / induction etc) are relevant

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq5-Q48

Any other comments / views on the above?-----

3.17 The availability of HR professionals to deliver customer service is acceptable

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq6-Q49

Any other comments / views on the above?-----

3.18 The HR function ensure the consistent (standardised) application and implementation of HR policies and practices

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-pq7-Q50

Any other comments / views on the above?-----

Part 3: HR competencies (evaluation criteria)

3.19 In the role of Employee Champion, HR professionals demonstrate the following competency

- a) **Knowledge of the business** (in order to contribute effectively to the service needs of the business)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-cq1-Q51

Any other comments / views on the above?-----

3.20 In the role of Employee Champion, HR professionals demonstrate the following competency

b) Knowledge and skills to deliver on HR products and services (Efficiency – deliver the right product / service at the right time)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-cq2-Q52

Any other comments / views on the above?-----

3.21 In the role of Employee Champion, HR professionals demonstrate the following competency

c) Ability to manage change (Knowledge and skills to deal with human behaviour in the change process)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-cq3-Q53

Any other comments / views on the above?-----

3.22 In the role of Employee Champion, HR professionals demonstrate the following competency

d) Knowledge of organisational culture (“Living” the organisational values)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-cq4-Q54

Any other comments / views on the above?-----

3.23 In the role of employee champion, HR professionals demonstrate the following competencies

e) Personal credibility (trustworthiness / style of interaction)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-cq5-Q55

Any other comments / views on the above?-----

Part 4: General (evaluation criteria)

3.24 HR professionals exercise confidentiality at all times

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gl1-Q56

Any other comments / views on the above?-----

3.25 HR professionals can be trusted in the delivery of service

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gl2-Q57

Any other comments / views on the above?-----

3.26 HR professionals display empathy in dealing with employees

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E3-gl3-Q58

Any other comments / views on the above?-----

3.27 Any other comments / views on the effectiveness of HR as **Employee Champion**?

0-0-0-0

SECTION E: This section is to be completed by Regional Executive team, HR managers, Line Managers, Employees, and HR practitioners. You are requested to complete a number of questions, indicating your current experience on the effectiveness of the HR function in the SR.

EVALUATION QUESTION 4: HOW EFFECTIVENESS IS THE HR FUNCTION IN ITS ROLE AS A CHANGE AGENT? (Managing transformation and change. Ensuring capacity for change)

Part 1: Effectiveness in achieving goals (evaluation criteria)

4.1 HR shows change leadership by initiating transformation first within the HR function

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-gq1-Q59

Any other comments / views on the above?-----

4.2 HR demonstrates understanding of the theory and tools of change (Provides a model of change that can be used throughout the Region)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-gq2-Q60

Any other comments / views on the above?-----

4.3 HR play a leading role in the communication of change (any type of change) in the Region

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-gq3-Q61

Any other comments / views on the above?-----

4.4 HR ensure the effective evaluation (measurement) of employee’s readiness to deal with organisational change

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-gq4-Q62

Any other comments / views on the above?-----

Part 2: Effectiveness in the process of delivery (evaluation criteria)

4.5 HR timeously / proactively takes the lead in change projects

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-pq1-Q63

Any other comments / views on the above?-----

4.6 HR serves as a facilitator in change projects

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-pq2-Q64

Any other comments / views on the above?-----

4.7 HR provides continuous support to employees during change projects

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-pq3-Q65

Any other comments / views on the above?-----

Part 3: HR competencies (evaluation criteria)

4.8 In the role of Change Agent, HR professionals demonstrate the following competency

a) Knowledge of the business (In order to advice on appropriate change management practice / approach)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq1-Q66

Any other comments / views on the above?-----

4.9 In the role of Change Agent, HR professionals demonstrate the following

competency

b) Knowledge and skills to deliver HR products and services (experts in their field)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq2-Q67

Any other comments / views on the above?-----

4.10 In the role of Change Agent, HR professionals demonstrate the following competency

c) Ability to manage change (Project management knowledge and skills / ability to facilitate the sharing of knowledge across departmental boundaries)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq3-Q68

Any other comments / views on the above?-----

4.11 In the role of Change Agent, HR professionals demonstrate the following competency

d) Knowledge of organisational culture (understanding of the role that organisational culture play in the change process / knowledge and skills to put specific problems in context of the larger system)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq4-Q69

Any other comments / views on the above?-----

4.12 In the role of Change Agent, HR professionals demonstrate the following competency

e) Personal credibility (Live organisational values / build relationships / having a point of view)

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq5-Q70

Any other comments / views on the above?-----

4.13 In the role of change agent, HR professionals demonstrate the ability to manage conflict

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq6-Q71

Any other comments / views on the above?-----

4.14 In the role of change agent, HR professionals establishes trust and credibility with others

Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Office use
E4-cq7-Q72

Any other comments / views on the above?-----

4.15 Any other comments / views on the effectiveness of HR as a Change Agent?

0-0-0-0-0

Thank you for your time and contribution