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# Tasks and Evaluation of Human Resource Departments: An Empirically Based Explanatory Model

Although executives regularly confront human resource departments with criticism, expectations of executives towards them and their evaluation criteria for HR departments have not yet been systematically investigated. In this article, the authors introduce an empirically based model of human resource departments that explains their activities and their evaluation from the management's point of view. The model originates from an exploratory study with executives of Austrian organizations. It provides a detailed and systematic description of conditions for delegating responsibility to human resource departments and of the relevant criteria used by executives in order to evaluate their HR departments. Furthermore, the model integrates functional and institutional approaches to HRM and offers differentiated explanations for the criticism of HR departments.

## I. Introduction

It is essential to point out that the Human Resource (HR) function of an enterprise cannot fully be transferred to a single specialized organizational unit (Schirmer 2004). Owing to the fundamental necessity of division of labor, the problem of distributing HR tasks between different organizational units arises. A large number of corporate actors (e.g. management, HR department, line management, and works committee) as well as actors at a higher level (e.g. external suppliers of HR services, labor unions, and the legislator) can be involved in the creation of HR tasks.

One of the main questions and at the same time an “evergreen” concerning research in the field of human resources is the adequate distribution of tasks between the HR de-

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partment and other potential bearers of personnel tasks. The clarification of its functions is of great interest to the personnel department, as it specializes as an organizational unit exclusively in the realization of personnel tasks.<sup>2</sup> In practice however, the distribution and assignment of tasks between HR departments as specialists and line managers as generalists (Cunningham/Hyman 1999) is regularly called into question and may lead to tensions. Furthermore, this problem indicates that most of the solutions are only short-lived. Regardless of the actual distribution of tasks, personnel departments are frequently blamed for the inadequate performance of their assigned tasks, for the wrong establishing of priorities, for their exaggerated and/or poor contribution to personnel work, etc.<sup>3</sup> To what extent HR departments lose their status or gain acceptance as a result of such reproach as well as if they are recognized by other corporate actors should be of great interest to representatives in the field of HR research.<sup>4</sup> In addition, personnel departments are the most important clients for researchers in the field of HRM, as they are the target group for practical recommendations. As a consequence, the great importance of this clientele should have an impact on the research contents.<sup>5</sup> On the other hand, the continuance of institutional HRM is relevant for the status of scientific research in the field of HRM as it legitimizes itself with regard to an important clientele by dealing with practical problems.<sup>6</sup> Thus, research in the field of HRM should also offer support to its clientele out of self-interest—by analyzing the tasks assigned to HR departments and the possible reasons for criticism the departments are regularly confronted with. It is not enough however, to put the criticism on personnel departments down to a “wrong” profile of tasks (e.g. inadequate participation in strategic decisions). It is furthermore essential to find out how the observers judge if the HR department has fulfilled its attributed tasks satisfactorily (i.e. it is necessary to analyze wherein an adequate participation e.g. concerning strategic problems, concretely manifests itself). It has to be pointed out that

2 Empirical results have shown that personnel departments also take over tasks that exceed the area of personnel work (cf. for example Eisenstat, 1996).

3 For an overall view of criticism towards personnel departments and their problems cf. for example Legge (1978), p. 55 et seqq., Lattmann (1995), p. 246 et seqq. and Metz (1995), p. 5 et seqq.

4 The subsequent reasoning concerning the necessity of scientific investigation of personnel department problems is based on Metz (1995), p. 35 et seqq.

5 Until now, (German-speaking) HR research has only shown little interest in the investigation of HR departments. Even though there are several empirical papers (cf. for example Wagner, 1994), there is a lack of theoretically based analyses. The current edition of the concise dictionary for personnel management (Gaugler/Oechsler/Weber, 2004) does not even include the keyword “personnel department”; instead, HR departments are treated under the keyword “organization and bearer of personnel matters” (Schirmer, 2004).

6 Even if there were no personnel departments, HR research would not be obsolete, as personnel work cannot be reduced to personnel departments.

management's point of view is particularly relevant for the evaluation of HR departments. On the one hand, HR research as a discipline of business administration is practically committed to the perspective of management. On the other hand, management may be considered as an originator of criticism towards personnel departments (Ackermann 1994), thus decisively contributing to the bad image of the latter.

In this paper, the authors attempt to find out wherein management sees the specific tasks for HR departments and how it determines their successful completion. An empirically based explanatory model will be presented within this context. The model identifies potential tasks of personnel departments, the conditions under which they are relevant and finally the relevant factors for the evaluation of HR departments from management's point of view. Thus, the paper discusses a fundamental problem of an important clientele of HR researchers and analyzes these problems from an important target group's point of view.

In the following chapter, the authors provide an overview of the current state of research concerning tasks and evaluation of HR departments. Subsequently, the Grounded Theory method and the explanatory model, which has been developed within this context, will be presented to the reader. Finally, the results of the study are evaluated and their extended application to other functional areas of business will be discussed.

## 2. Current State of Research

Until now, there have been only a few working papers that have analyzed the expectations of executives with regard to the assigned tasks of HR departments and their subsequent evaluation.

The dominant functional approaches (Weibler/Wald 2004)<sup>7</sup> of (German-speaking) HR research do not make any statements concerning the distribution of personnel tasks between institutional bearers, nor do they offer any statements for the evaluation of specialists.<sup>8</sup> Until now, the endeavors for the integration of HR department tasks within the functional point of view concerning personnel work have not been systematically carried out, nor have their presentations been seen through (Metz 1995). Instead, the functional and institutional points of view are rather mixed. Consequently, the relationship between

7 For criticism on the functionalist way of thinking within HRM research cf. Weber (1992), col. 1829.

8 Within this context, Metz (1995) legitimately refers to the fact that the actors' point of view in applied HRM research is considered a direct one, as HR concepts of action have to at least implicitly think for one actor, to whom they address their considerations. The question of who should be integrated and to what extent arises when it comes to the implementation of recommendations for action at the latest.

personnel administration as a function and the HR department as an institution blurs or remains undefined.<sup>9</sup> “What an HR department does, could do, and should do is not obvious any more” (Metz, 1995, p. 28). Recent discussions about the transformation of personnel departments into service-oriented centers or centers of added value (e.g. Ackermann/Meyer/Mez, 1997, Scholz 1999, and Wunderer/von Arx 2002) provide a corporate organizational and monitoring concept, but they do not offer any immediate answers to the question of how to sensibly divide organizational tasks. Thus, the above mentioned concepts do not clarify in detail which tasks should be taken over by the HR department. As a result, the problem is shifted to management, which in practice disposes of the necessary power to decide on the tasks of the personnel department (Purcell/Ahstrand, 1994).

It has to be pointed out that, in the meantime, many normative approaches as to the explicit roles of personnel departments and the possibilities of their evaluation have been created.<sup>10</sup> The role model by Ulrich (1997) in particular, has been taken up and been further developed by many authors.<sup>11</sup> Based on the Human Resource Approach, which considers personnel a decisive factor of success for any organization, Ulrich proposes a universalistic role concept that has to be taken over by the personnel function in order to achieve business objectives. Although Ulrich originally left open which organizational units should take over the specific roles that he had defined,<sup>12</sup> his and other authors’ role models have later been referred to “HR Professionals.”<sup>13</sup> Ulrich’s role concept and other normative approaches have also been used for empirical investigations regarding executive expectations concerning HR departments (e.g. Wunderer/von Arx 2002, Buyens/De Vos, 2001). Within the framework of these studies, the authors basically describe how the values of given models is empirically distributed. These investigations seem problematic, however. They question predefined role typologies that often do not coincide with managers’ expectations (Guest/King, 2001). As a consequence, they do not explain the man-

9 In this context, the use of the term *Personalwesen* for HR activities and concepts as well as for the HR department as a bearer of these activities is symptomatic. (cf. for example Gaugler/Oechsler/Weber (2004), col. 1653et seqq.). Within English-speaking HRM research, there exists the same problem with the use of the term *HR function* (cf. Legge, 1975, p. 54). In der englischsprachigen Personalforschung besteht dasselbe Problem mit der Verwendung des Begriffs “HR function”.

10 For an overall view cf. Fleer (2001).

11 Cf. for example Caldwell (2001); for the German-speaking area cf. for example Wunderer/Jaritz, (2002).

12 According to Ulrich, the institutional partition of roles may vary. Thus, he abandons the claim for a fixed assignment of roles within the HR department and leaves it open to business practice.

13 In this respect, Ulrich’s paper is a good example of the “action-oriented turn” of functional approaches that was detected by Metz (1995).

agers' point of view, but are potentially contradictory to it. To sum up, there are only a few exploratory studies relating to the executives' point of view with regard the personnel department (Tsui, 1990, Tsui/Milkovich, 1987), which thoroughly describe possible tasks and criteria for evaluation. The possible tasks and criteria for evaluation are, however, not systematically correlated, nor do these studies systematically explain the differences and the common aspects that were found.

### 3. Methodology

To date there are no papers at hand that explain the ideas relating to tasks that are typically suited to the personnel department and about the department's evaluation from management's point of view. Thus, the authors of this paper developed an initial model by means of the Grounded Theory (Glaser/Strauss, 1967, Strauss/Corbin, 1998). The Grounded Theory stems from medical sociology and is an empirical research strategy for the development of theoretical models as they are used in personnel management for the explanation of practical personnel experience.<sup>14</sup> The theory is based on the concepts of symbolic Interactionism (Blumer, 1986) and is therefore well suited for the discovery of the attitudes and perspectives of actors towards certain phenomena with which these actors maintain a social relationship. In the context of this paper, the Grounded Theory is used within the framework of an interpretative research approach, which has also been used in management research for several years.<sup>15</sup> The procedure aims to generate hypotheses concerning the relationship between various concepts gained from empirical data, by means of a systematic comparison between concepts and empirical data. Subsequently, the concepts obtained through a certain source of data are examined by means of additional empirical data and are, at the same time, improved. Then, the conditions under which they appear are specified. Thus, on the one hand, a detailed development of concepts and at the same time a consideration of single case particularities is facilitated. On the other hand, an abstraction of statements that were obtained for a concrete case are made possible.

The model created within the framework of the study is based on interviews with five executives of Austrian companies and public enterprises between September 2002 and March 2003.<sup>16</sup> The participating executives work in the following sectors: education,

14 For the differentiation between theories and explanatory models in HR research cf. Martin (1996), in general cf. Merton (1968).

15 Information on paradigmatic approaches to the Grounded Theory cf. Charmaz (2000). Examples for the application of the Grounded Theory within management research may be found in Konecki (1997), Lowe (1998), and Elsbach (1994).

16 One could argue that five interviews are not enough for the development of a theoretical

electronics, oil, transportation, and insurance. Their organizations employ between approximately 700 and 30,000 people. The number and background of the interview partners was not determined at the beginning of the investigation, but was rather made dependent on their contribution to the development of the model. The main objective of the selection process was to find ideas of executives with regard to the assignment of tasks for the personnel department that are as diverse as possible. In the course of the interview, the first, randomly selected, interview partner was asked to name the type of organization in which he thinks there are completely different expectations concerning the HR department. It was in accordance with the statements of each of the executives that the next potential interview partner was selected, who was again asked to name differences in his turn.<sup>17</sup>

During a narrative interview of a duration of up to about 90 minutes, each interview partner was asked to state what he/she expects from his/her personnel department (“What do you expect from your HR department?”), and how he/she then evaluates if these expectations have been met (“How do you ascertain to what extent the HR department meets your expectations?”). This type of procedure was selected in order to ensure that the relevant aspects for the study were being mentioned during the interview, on the one hand, and to provide a certain degree of flexibility in the interview situation, on the other hand, which enabled the participants to propose relevant topics within the context of the two questions that were mentioned above.

In the course of data analysis, the records were transliterated and transferred to software for textual analysis (NVIVO). First, the interview texts were analyzed in detail by identifying categories and dimensions, as well as correlations between the categories. In order to further differentiate these concepts and to compare their characteristics in connection with various other concepts, the authors thoroughly examined those aspects that were either considered as characteristic for their personal situation by the interview partners or that were generalized by them. Finally, analogies and heuristics were used by the authors, enabling them to find additional categories and dimensions in the interview texts, as well as to gain a better understanding about the relationship between the catego-

model. However, the results show that the model is complete with regard to the potential tasks of HR departments—essential for the selection of the interview partners. As the method of the Grounded Theory is based on the idea that data should only be surveyed until a theoretical saturation concerning the concept in question has been reached, there was no more reason to carry out additional surveys.

<sup>17</sup> It has to be mentioned that by using interviews in order to obtain the necessary data, the process is subject to a certain limitation: only approachable persons can be included in the study. Owing to this selection of cases, the researchers cannot exclude the possibility that the persons who refused the interview have different points of view that are not included in the analysis.

ries.<sup>18</sup> As a result, correlations that were not visible at first sight were made comprehensible and new ideas for further analyses were generated (Strauss/Corbin, 1998).

In the course of the analysis, the authors elaborated various dimensions of expectations. The dimension *scope of responsibility*, which the interview partners expressed by means of the level of autonomy and the temporal structuring of tasks, disposed of the best structuring capacity for expectations. The term “responsibility” was used as a central concept for the development of the theoretical model as it is well suited for explaining the variance between expectations towards and evaluations of personnel departments. First of all, the expectations vary depending on the willingness of the interview partners to delegate responsibility to their HR departments. Secondly, the differences within the scope of responsibility also caused different evaluations. In order to analyze the conditions for the occurrence of expectations and their consequences, the authors grouped the other categories around the category of expectations and thereby differentiated them further.

## 4. Results

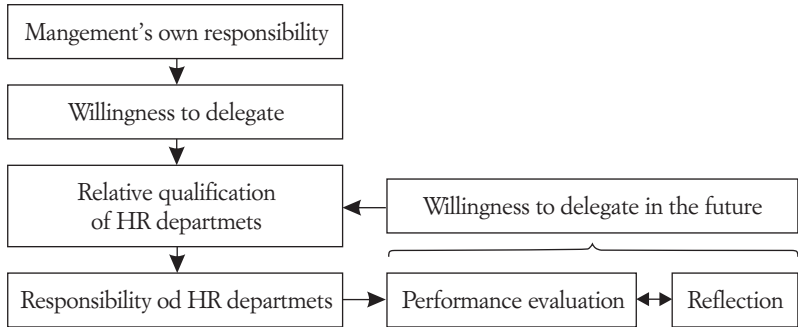
An overall model was developed on the basis of the interviews. The elements of this model are explained in the following sections.

### 4.1. Potential Tasks for HR Departments

Each expectation that management formulates towards its personnel department shows its willingness to delegate responsibility. Thus, the scope of responsibility that executives ascribe to a certain personnel task plays a significant role in the assignment of tasks to HR departments. Subsequently, the authors of this paper illustrate how executives assess the scope of responsibility of the different personnel tasks, which then enables them to explain the assignments of these tasks to HR departments and the conditions under which they are assigned.

18 The dimensioning of personnel tasks according to phases of personnel work—developed with reference to the phases of the political cycle (Windhoff-Héritier, 1993)—serves as a useful tool for their structuring. In addition, ideas for the systematization of personnel goals were obtained from research in the field of politics (e.g. distributive/re-distributive objectives). Furthermore, HRM itself serves as a source for suggestions enabling the completion of the main concepts. For the generation of ideas concerning the structuring of the factors that have an influence on the delegation of responsibility, the assignments of tasks within personnel work were, for example, regarded as job profiles and the HR department was seen as a candidate within a larger group of applicants. In order to analyze the evaluation of HR departments, the viewpoints for the realization of evaluation were taken into account (the suggestion came from an interview partner who emphasized the existence of similar problems concerning the evaluation of employees and HR departments).

Figure No 1: Grounded Theory Model of HR departments



The spheres of responsibility of HR departments may include personnel objectives as well as single tasks that shall contribute to the achievement of these objectives. The delegation of responsibility for a certain personnel objective includes the responsibility of action for all the tasks that are necessary in order to achieve these goals. While the tasks of personnel work shall contribute to the achievement of personnel objectives, those personnel objectives shall help to reach organizational objectives. Figure No. 1 illustrates the personnel policy's fields of action in which executives determine the personnel objectives, the personnel objectives themselves, and the expected contribution of these objectives to reach the organizational goals.

Executives view personnel tasks according to time perspectives as well as to the task's underlying level of autonomy.<sup>19</sup>

On the one hand, managers consider personnel work as structured by a *temporal process (phases)*. Each phase's different latitude for creativity leads to a variable scope of responsibility concerning the phase-specific personnel tasks. Within the *definition of the problem* phase, executives consider the latitude for creativity as most significant. In subsequent phases—*formulation of solutions, implementation and evaluation*—the latitude for creativity constantly decreases, as each previous phase represents a limitation owing to the decisions taken by the actors of the respective phase. The decisions taken by the actors of the previous phases are preliminary decisions and consequently represent limitations for the shaping of the subsequent phase (e.g. the implementation of personnel programs is based on previously defined concepts).

On the other hand, executives delimit personnel tasks according to the *level of autonomy* that they link to a certain task.<sup>20</sup> From management's point of view, tasks make dif-

19 Among the possible criteria for the organization of tasks (cf. Kosiol, 1962) in literature, two aspects are particularly emphasized by executives.

20 In literature, the level of autonomy is sometimes also referred to as "rank."

ferent contributions to strategic and operative decisions within personnel work. *Strategic decisions* refer to the results of the personnel work’s phases. They indicate if there is a problem of personnel work and if so, what it consists of in detail. Furthermore, they indicate how a solution to the problem may look, how the solution shall be implemented, and how the activities that have been carried out have to be evaluated. With *advisory tasks*, decision alternatives to these questions are made available and recommendations for decisions are formulated. *Administrative tasks* include current decisions of operative personnel work that are further supported by *assistance tasks*.

A particular phase of personnel work may include, besides the strategic decision itself, tasks of all levels of autonomy and vice versa, all the different levels of autonomy may appear in all phases, even though the intensities of consulting, administration, and assistance may vary. Based on the study, the authors identified 16 potential spheres of responsibility of personnel departments (see Figure No. 2). From the analytical point of view, it is possible to build an independent grid of spheres of responsibility for each personnel objective. Consequently, depending on the number of management’s personnel objectives (see Figure No. 1), this leads to a multiplication of potential spheres of responsibility for the HR department.<sup>21</sup>

**Figure No. 2:** Relationship between personnel and organizational objectives

| <b>Personnel characteristics</b> | <b>Dimension of characteristics</b> | <b>Aspired Values</b><br><i>(personnel objectives)</i> | <b>Aspired effects at the organizational level</b><br><i>(organizational objectives)</i> |
|----------------------------------|-------------------------------------|--|--|
| Expenses                         | Amount                              | Stabilization  | Keep the expenses under control  |
|                                  |                                     | Reduction  | Keep the expenses under control  |
|                                  | Flexibility                         | Variability  | Keep the expenses under control; keep the expenses variable                              |
| Work attitude                    | Attitude                            | Entrepreneurial thinking                               | Improve organizational performance; Expansion  |

21 Based on the understanding of the study, the formulation of a personnel objective is an integral part of the problem definition, as the objectives represent the deviation between a given and a desired situation.

| Personnel characteristics | Dimension of characteristics | Aspired Values<br>( <i>personnel objectives</i> ) | Aspired effects<br>at the organizational level<br>( <i>organizational objectives</i> ) |
|---------------------------|------------------------------|---|--|
| Qualification             | Professional                 | Generalization                                    | Improve organizational performance   |
|                           |                              | Specialization                                    | Improve organizational performance   |
|                           | Social                       | Intercultural competence                          | Merger; expansion  |
|                           |                              | Readiness for change                              | Privatization; merger  |
|                           |                              | Service orientation                               | Improve organizational performance; Privatization                                      |
| Quantity                  | Number                       | Stabilization                                     | Keep the expenses under control; improve organizational performance                    |
|                           |                              | Increase  | Expansion  |
|                           |                              | Reduction   | Keep the expenses under control  |

The term “potential spheres of responsibility” indicates that management is able to delegate responsibility not only to its personnel department, but also to other bearers.<sup>22</sup> The division of responsibility can either take place *between* the above mentioned spheres of responsibility (e.g. the HR department advises, line management makes the decision), or the division takes place *within* the spheres of responsibility.<sup>23</sup> In such a case, several bearers should carry out the task together (e.g. line management and the HR department elaborate a common solution).

As a rule, management intends to assign not only one, but several spheres of responsibility to its personnel department, i.e. it is possible to accumulate the spheres of responsibility. The executives who were interviewed prefer to delegate areas of responsibility with a low level of responsibility to their HR departments, *before* delegating those with higher levels of responsibility to them. As a result, the willingness to delegate a large scope of responsibility to the HR department is closely linked to the assignment of personnel tasks with a smaller scope of responsibility. In contrast, little willingness to delegate automatically excludes the assignment of tasks with a large scope of responsibility. Depending on management’s willingness to delegate responsibility and to what extent they are pre-

22 In the study, the following alternatives to the HR department were cited: management itself, the works committee, line management, other main functions (e.g. financial department) and external institutions (consultants, lawyers, universities).

23 At least executives do not make further distinctions concerning responsibilities.

pared to do so, the HR departments are confronted with different assignments of tasks. In the course of the study, the authors were able to identify and to delimit four constellations from the great variety of possible assignments of tasks.

The first constellation can mainly be characterized by the exertion of assistance tasks (*assistance*). Within the context of the assistance function, a typical activity of personnel departments is the compilation of documents for employment contracts. However, the HR department does not dispose of any authorization for the conclusion of these contracts.

The second constellation is referred to as *basic service*<sup>24</sup> by the interview partners, which characterizes the delegation of responsibility concerning the completion of operative personnel tasks in a more holistic sense, i.e. the result is included (e.g. conclusion and finalization of contracts of employment, decisions regarding employee participation in personnel development measures). The tasks are therefore considered as *basic services*, as they are carried out as a matter of routine (“day-to-day business”). Their contents and form should not be questioned by the HR department. Assistance tasks are included in this constellation, as they constitute a preliminary stage for the completion of basic services.

In the third constellation (*advice*), besides completing the above mentioned tasks, the HR department is supposed to support other actors in the development of new solutions for personnel work (“to give new impetus”). Regarding their HR departments merely as an advisory organizational unit, the executives do not integrate them at any phase in the strategic decision making process. The personnel department should only present its ideas by indicating different alternative decisions and by weighing up arguments (e.g. elimination of qualification problems by means of internal personnel development or by the employment of qualified staff).

The fourth constellation (*corporate share of responsibility*) differentiates itself insofar from the others as management regards the HR department not only as an advisory unit, but also integrates it in the strategic decision making process. Within this context, management emphasizes the use of the term *share of responsibility*, i.e. the elaboration of a common decision by interacting with other actors (e.g. by taking a vote).

The above mentioned typical assignments of tasks for personnel departments only refer to *single* personnel objectives of executives. It has to be taken into account that if there are more personnel objectives, management’s willingness to delegate responsibility may vary according to existing aims. The HR department for example, may be regarded

24 One can argue that the term “basic service” is unclear, as it may refer to particularly important or to very simple tasks. The interview partners have generally used the term for the description of operative tasks.

as a bearer of shared responsibility concerning the encouragement of a corporate way of thinking, but should, on the other hand, only play an advisory role when it comes to deciding on the reduction of personnel costs, etc. Among the possible combinations of assignments of tasks, three overall constellations concerning the objectives were schematically delimited from one another: first of all, an HR department can either be entrusted with a *general* (i.e. for all personnel objectives) *medium or high level of responsibility* (corporate HR department, HR department as an adviser), or secondly, with a *general low level of responsibility* (the HR department as assistance). Finally, the HR department can be entrusted with a medium or high level of responsibility for specific personnel goals and with very little responsibility with regard to other personnel objectives.

#### 4.2. Determinants

The willingness of management to delegate responsibility to the HR department is based on a multi-stage process of consideration and decision. First of all, the willingness depends on management's estimation of its own latitude for creativity concerning personnel work as well as to what extent it considers itself as authorized to distribute responsibilities among organizational units and external bearers. Furthermore, it also depends on the intention of management, to what extent it is prepared *at all* to hand over responsibility within its latitude for creativity. Finally, it depends on whom management considers as most qualified to take over responsibility among the potential bearers of personnel tasks, which does not necessarily have to be the HR department.

As a result of the study, the determinants for the (partial) steps of management's process of consideration, which determine the delegation of responsibility to HR departments, are summarized in Figure No. 3.

**Figure No. 3:** Potential tasks of HR departments

| <b>Activity Phases</b>   | <b>Assistance</b>                  | <b>Administration</b>                | <b>Advice</b>                      | <b>Decision</b>                     |
|--------------------------|------------------------------------|--------------------------------------|------------------------------------|-------------------------------------|
| Problem definition       | Assist in the problem definition   | Put the problems in concrete terms   | Detect potential problems          | Define problems                     |
| Formulation of solutions | Assist in the search for solutions | Elaborate propositions for solutions | Develop propositions for solutions | Determine solutions                 |
| Implementation           | Assist in implementation           | Carry out measures                   | Accompany the implementation       | Make decisions for implementation   |
| Evaluation               | Assist in evaluation               | Carry out the evaluation             | Develop a concept for evaluation   | Determine a strategy for evaluation |

Based on the subjective relevance of these factors, executives ascribe themselves different scopes of action. In addition, they have different opinions about the responsibilities of the organizational units, their willingness to delegate responsibilities may vary, and their judgments about the qualification of HR departments, in comparison to other potential bearers, to take over responsibility may be completely different. Consequently, executives delegate different scopes of responsibility to their HR departments. Thus, the conditions for the existence of different constellations and assignments of tasks for HR departments can be formulated by means of the following hypotheses:

1. The more determinants with a negative effect on the transfer of responsibility to HR department are relevant to management, the more probable HR departments only carry out basic services and take over a mere assistance function,
2. The more determinants with a positive effect on the transfer of responsibility to HR department are relevant to management, the more probable HR departments act as advisers and even take over a share of corporate responsibility,
3. The more similar the determinants remain in the context of different personnel objectives, the stronger the overall constellations concerning the objectives correspond to the assignments of tasks that management creates with reference to a single personnel goal,
4. The stronger the determinants between different personnel objectives diverge from one another, the more probable a mixed type of the overall constellations concerning the objectives, evolves, and thus, management's perspectives regarding personnel work that are lumped together rather lead to homogeneous assignments of tasks for the HR department, whereas a differentiated point of view facilitates the formation of mixed types.

### 4.3. Evaluation

On the one hand, the evaluation of HR departments depends on the performance of the tasks that were delegated to them, and on the other hand, on the circumstances for the completion of these tasks and on the potential that has been ascribed to the HR department.

Executives carry out their evaluation on the basis of the assignments of tasks, which were defined beforehand. The criteria for the evaluation of HR departments depend on the scope of responsibility that they have been granted by the executives (cf. Figure No. 4). The starting points for the evaluation of HR departments are cumulative according to the constellation of expectations: The more responsibility management delegates to its personnel department the more criteria for evaluation are created. Thus, for the evaluation of the "corporate share of responsibility," all the criteria that are indicated in Figure No. 4 can be used. Since criteria for evaluation always describe only a part a

sphere of responsibility, executives may apply different indicators for the evaluation of a certain sphere of responsibility. To what extent the executives see their criteria of evaluation as fulfilled varies according to their range of expectations and the standards they apply to their HR departments (e.g. bad experiences of an executive with personnel departments from previous companies may cause that the commitment of the HR department to be evaluated is considered high).

**Figure No. 4:** Determinants for the delegation of responsibility to HR departments

| <b>Determinants for the delegation of responsibility to HR departments</b>                | <b>Type of Effect*</b> |
|---|------------------------|
| <b>Management's own responsibility</b>  |                        |
| 1 Little potential for improvement  | Negative               |
| 2 Limited possibilities for the pursuit of a personnel objective                          | Negative               |
| 3 Contradictory personnel objectives  | Negative               |
| 4 Diverging opinions about the organization of personnel work within the management board | Negative               |
| 5 Regulation of personnel work by legal standards   | Negative               |
| 6 Conflicts between a social sense of duty and personnel objectives                       | Negative               |
| 7 Preservation of the organization's image  | Negative               |
| 8 Logic of corporate division of labor  | Negative               |
| 9 Regulation of competencies by legal standards   | Negative               |
| 10 Traditional division of labor  | Negative               |
| 11 Competencies according to tasks  | Negative               |
| <b>Willingness to delegate</b>  |                        |
| 12 Participative organizational culture   | Positive               |
| 13 Financing of personnel work by management  | Negative               |
| 14 Reservations with regard to the organization   | Negative               |
| 15 Ensuring task performance by means of control instruments                              | Positive               |
| 16 Assessment of one's own competencies within personnel work                             | Positive, Negative     |
| 17 Personal benefit   | Negative               |
| 18 Avoidance of conflicts   | Positive               |
| 19 Demonstration of capacity of action  | Positive               |
| 20 Use of potential for improvement   | Positive               |
| <b>Relative qualification of the HR department</b>  |                        |
| 21 Loyalty of the HR department   | Positive               |

| Determinants for the delegation of responsibility to HR departments            | Type of Effect*    |
|--|--------------------|
| 22 Redistribution in line management as the objective of personnel work        | Positive           |
| 23 Commitment of the HR department   | Positive           |
| 24 Competence of the HR department   | Positive, Negative |
| 25 Necessity of cooperation with the works committee                           | Positive           |
| 26 Lack of qualification within management                                     | Positive           |
| 27 HR department seems to work at full capacity                                | Negative           |
| 28 Low level of acceptance of the HR department on the part of line management | Negative           |
| 29 Concessions to line management  | Negative           |

\* The column “type of effect” indicates whether a factor of influence rather increases the scope of responsibility of the HR department, i.e. has positive effects on the delegation of responsibility or if it has negative effects by decreasing the scope of responsibility, i.e. management’s willingness to delegate to the personnel department.

Negative results of evaluation do not necessarily reflect the discontent<sup>25</sup> of management with their HR department, as the executives are able to qualify their evaluations under certain preconditions (cf. Figure No 5). A relativization can be carried out by subsequently *qualifying* the evaluation. Thereby, the executives signal understanding for the bad results (e.g. the personnel department exceeds its competencies owing to the fact that management did not clearly communicate the HR department’s spheres of responsibility). The executives can also *supplement* their evaluations by referring to potentials that announce a fulfillment of expectations in the future. In both cases, the negative evaluation results are attenuated. The reasons for the relativization of the evaluation results are indicated in Figure No. 5.

**Figure No. 5:** Criteria and standards for the evaluation of performance contributions

| Constellation of expectations | Criteria for evaluation | Standards            |
|-------------------------------|-------------------------|----------------------|
| Assistance                    | Cooperation             | Other HR departments |
|                               | Readiness for action    | Other HR departments |

25 In this context, discontent is considered as little contentedness.

| Constellation of expectations     | Criteria for evaluation                          | Standards   |
|-----------------------------------|--|---|
| Basic service                     | Regularity                                       | Past, freedom from error, normal situation            |
|                                   | Velocity   | Maximization, adherence to schedules                  |
| Generator of impetus              | Practical implementation                         | Level of achievement of objectives                    |
|                                   | Acceptance                                       | Past  |
|                                   | Popularity                                       | Other organizations, past                             |
|                                   | Plausibility                                     | Congruence  |
|                                   | Closeness  | Congruence  |
| Corporate share of responsibility | Indicators of objectives                         | Relative increase, level of achievement of objectives |
| Comprehensive                     | Keeping to the delegated scope of responsibility | No exceeding of limits                                |

The satisfaction of management with its HR department stems from the results of the whole evaluation process. The criteria for evaluation and standards for personnel departments mainly depend on the scope of management's willingness to delegate responsibility to its HR department. To what extent executives are satisfied with their personnel departments only indirectly results from the HR departments' fulfillment of assigned tasks. As the results are *qualified* on the one hand (i.e. their significance is reduced due to various difficulties) and *supplemented* on the other hand (i.e. additional criteria for evaluation without direct reference to the previous results have been applied), even a negative evaluation result does not necessarily lead to discontent. In an extreme case, satisfaction can even be obtained after missing all the goals, as long as management shows sufficient understanding and attenuates the missing of objectives with a positive estimation of the HR department's potential. In this context, the following hypotheses can be formulated:

The better the HR department complies with its assigned responsibilities by meeting the requirements of the criteria for evaluation, the higher is management's level of satisfaction.

1. The more management shows understanding for the insufficient fulfillment of its expectations, the lower is its degree of discontent.
2. The more potential management ascribes to its HR department, the more negative evaluation results are attenuated. This might even lead to an overall positive evaluation of the HR department ("contentedness"), even though it has not met the requirements of its assigned responsibilities.
3. It is possible to analytically ascertain the evaluation for each task that was assigned to the personnel department separately. Furthermore, the evaluation can be combined

to an overall satisfaction, which expresses the general attitude and the goodwill of management towards the HR department.

## 5. Discussion

The model that was developed in the course of the study offers an empirically well-founded system of potential personnel tasks, of the conditions under which they have to be carried out by the HR department, and of the criteria according to which HR departments are evaluated. The division of HR department potential tasks based on their scope of responsibility reflects fundamental knowledge of business administration from the *individual* organization of labor (Kosiol, 1962, Ulich, 1972). The explanatory model shows that executives fall back upon certain pieces of this knowledge in order to explain their expectations with respect to corporate organizational units. Thus, the integrative approach of conditions, of tasks, and mechanisms for evaluation, as well as their systematization based on the criterion of responsibility serve as an amplification of this knowledge. The concept of “responsibility” that was elaborated in the course of the study not only structures the potential tasks of the personnel department, but also management’s willingness to delegate tasks and the evaluation of the HR department. Furthermore, the problems of transfer, accountability, and evaluation of responsibility seem to be a main reason for why management evaluates the HR department not only according to the tasks that were carried out in the past, but also based on their potential.

According to the explanatory model, there is no uniform and constant set of tasks that are typically carried out by the personnel department. The model indicates which considerations of management have an influence on the assignment of tasks to HR departments and why executives may have different ideas about the tasks of HR departments. In addition to economic-rational reasons, the aspects of power according to Metz (1995), and the institutional context of management (e.g. socialization, corporate culture, corporate structure) play a decisive role with regard to considerations about the delegation of responsibility to personnel departments. The model also shows that executives do not treat their considerations concerning the assignment of tasks to HR departments in isolation from other actors. On the one hand, the willingness of management to delegate is influenced by the type of relationship they have to other actors (e.g. conflicts on the level of top-management encourage a willingness to delegate). On the other hand, the evaluation of the HR department’s qualification concerning the completion of personnel tasks only takes place in comparison with other actors.<sup>26</sup>

26 Owing to the fact that personnel tasks always have to be carried out by “somebody,” in an

One can easily assume that personnel departments have only limited influence on their tasks, as they are dependent on a great number of factors that have nothing to do with their qualification.<sup>27</sup> Furthermore, the model explains why the initiatives (which are approved by the normative approaches of organization) of HR departments aimed at the extension of their scope of responsibility may be a reason for management's criticism towards them. By exceeding their competencies, HR departments intervene in areas of responsibilities of other actors and at the same time do not respect the authority of management concerning the distribution of tasks. As a result, the corporate structure is out of balance. The same thing also happens when HR departments do not or insufficiently carry out their assigned tasks, which means that in the end, the necessary personnel tasks are not fulfilled. Nevertheless, management does not necessarily see bad performance results as a reason for criticism, as these results might be less relevant due to a lack of accountability and as they may be compensated for by evaluating the HR department's potential (regarding the head of the personnel department as the person of reference).

The elaborated spectrum of relevant HR tasks displays an agenda of personnel work (functional) that can be carried out by HR departments or other potential bearers. Within this context, the results of the study can be useful for the establishment of a connection between functional and institutional perspectives, which has widely been considered as a "blind spot" of HR research (Metz 1995).

Taking into account that fact that management has significant influence over what HR departments can do in practice, it is evident that their considerations also play an important role in the organization of HR departments.<sup>28</sup> So far, HR research does not dispose of a theoretical concept for the description of "what personnel work actually does and to what extent it is carried out by whom in companies and administrations" (Oechsler, 2000, p. 10). Furthermore, HR research cannot explain *why* tasks of person-

extreme case even "bad" personnel departments are granted a share of the responsibility (as long as the other actors at hand are considered as even less qualified).

<sup>27</sup> Thus, the explanatory model contradicts the concepts of organization of Chapter 2, which suggest the free availability of roles by not mentioning the conditions of their occurrence.

<sup>28</sup> Due to the research design, the *actual* reference of action of the cited viewpoints could not be proven, thus leaving this point open. Referring to the differentiation of Argyris/Schön (1978), the authors assume that the interview partners do not only have their own viewpoints that were presented during the interview (*espoused theories*), but that they also have *theories in use* that can be different from the viewpoints that they stated. Theories in use constitute the theories of action that are actually used by the interview partners. They include the rules of working day routine and predominantly represent implicit knowledge. They can only be reconstructed from their activities and not be detected during the interviews. Deviations between the theories that were presented and the theories that are actually in use, impede the generation of behavioral prognoses. Since the study at hand focused only indirectly on obtaining statements about the behavior of single interview partners and the information of the interviews refers to actions of the past, these discrepancies can be ignored.

nel departments are tailored differently (Mayrhofer, et al., 2004). The elaborated model that is presented in this paper offers starting points for the answers to these two aspects. It provides a self-contained frame of reference, thus facilitating the analysis of an empirical distribution of the actors' fields of action within the HR function. By demonstrating the determinants for the delegation of responsibility, the model explains the differences in the spheres of responsibility of HR departments, as well as the alterations in these areas. Owing to the subjectivity of these factors, it is very important to closely watch the influence changes in the top level of management may have on the HR department's scope of responsibility.

As the Grounded Theory method was developed as an opposite standpoint to generally accepted theories (Titscher/Wodak/Meyer/Vetter, 1998), the transfer of the presented explanatory model to other areas without having carried out empirical investigations beforehand, is methodically not permitted. The possibilities of extending this explanatory model further shall be empirically analyzed by going on two different directions:

On the one hand, the principles according to which other groups of reference for HR departments (e.g. employees of HR departments, managers, members of the works committee) systematize the personnel departments' tasks and what they refer to when evaluating HR departments, shall be investigated.<sup>29</sup> Thus, one can clarify to what extent the attitudes towards the personnel departments of their groups of reference are based on different fundamental considerations (e.g. management is willing to delegate and to grant responsibility) or if the subject "responsibility" is shared by all groups of reference.

It is also necessary to investigate to what extent the executives' considerations with regard to HR departments are applicable to other corporate functional areas. The fact that the sensible assignment of corporate tasks to specialized organizational units and the determination of their performance concerning the assigned tasks constitute a fundamental problem of business management serves as an argument in favor of the transfer. Thus, it is also essential to find out how executives within their different functional areas cope with this problem and to what extent the considerations of the presented model are also applicable to other functional areas. The examination of these questions is particularly relevant for those functional areas that can be characterized by a high degree of division of labor and in which the tasks can be carried out by many different actors. Owing to a structurally organized division of labor and the large number of potential bearers of tasks, management is regularly confronted with the problem of whom to integrate in the

29 These investigations would follow-up the studies carried out by Tsui (1990; Tsui/Milkovich, 1987), in which desirable tasks for personnel departments were compared from the viewpoint of different target groups.

accomplishment of tasks and of how to sensibly evaluate the performances of each functional unit (especially against the background of a situation characterized by labor division). Provided that the executives' assignment of tasks is generally based on their willingness to delegate responsibility, it would be interesting to find out to what extent the aspects, which have an influence on the willingness to delegate as well as on its evaluation, differentiate between the corporate functional areas.

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