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**The roles, responsibilities and activities of Personnel Specialists in the Formulation of
Business and HRM Strategies in the Scottish Financial Services Industry**

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ABSTRACT

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The roles, responsibilities and activities of Personnel Specialists in the Formulation of Business and HRM Strategies in the Scottish Financial Services Industry

This research project investigates the roles of Personnel/Human Resource Specialists in the formulation of corporate strategy. It aims at providing a better understanding of the current practice in comparison to "best practice" as prescribed by the leading literature. To this end a comprehensive literature review on strategy formulation and Human Resource Management (HRM) has been conducted. The core ideas from the leading literature have been concatenated in an integrated model of Human Resources (HR) in strategy formulation. This research project focuses exclusively on the first stage of the strategy process, namely formulation and blacks out the subsequent stages of implementation and evaluation. Particular emphasis is given to the *rational, analytical* aspect of strategy formulation.

The elaborate model of integration delivered the basis for a detailed questionnaire which was used the means of collecting primary data. This questionnaire was sent out to over 100 key personnel in leading financial services companies in Scotland. The survey was the first of its kind to be conducted with an exclusive focus on the emerging Scottish financial community. The Scottish Financial sector employs 209.000 people and responses were received from 33 different companies which between them had 107.629 staff on their payrolls.

The results of the study draw a detailed picture of the extent to which the proposed strategic activities are carried out by the HR functions of the leading Scottish institutions. The results furthermore indicate that Human Resource specialists are still finding it difficult to adapt a more strategic approach towards the management of employees. This

study identified the analytical part of the strategy formulation process, i.e. the scanning of a company's environment for opportunities as well as the internal analysis of the firm as a weak point in the management of HR and as an area often neglected by Human Resource specialists. Due to this self-inflicted abstinence a vacuum is created and the influence that environmental changes can have on a firm's HR might well be underestimated. This lack of facts and data also means that HR functions are often only partially integrated in the strategic decision-making process.

The study identified this lethargy as the main area where improvements can be made and makes recommendations to industry and teaching academics alike. Finally, at the level of researchers and writers, this research project gives an opportunity to either replicate or validate the research findings or to widen the field by conducting further studies in this area.

Investment and Unit Trusts followed very much cost-oriented strategies and the majority will do so in the future. However, the number of firms aiming to become differentiation leaders was anticipated to triple, maybe already an indication of recent developments of the Fund Managers to target more private investors.

Building Societies

	Broad (Many Segments)	Narrow (Few Segments)	
Differentiation	17 <= 4 I	11 <= 8 II	28 <= 12
Cost	III 9 <= 14	IV 9 <= 20	18 <= 34
	26 <= 18	20 <= 28	

Figure 4.6.6.: Strategic Postures of Building Societies

Building Societies' strategies were predicted to move in very much the way that was described in previous section. The strong movement to diversification reflects the increased competition the Societies brought to financial retailing. However, the determined move towards broader strategic targets also brought about the expansive and expensive branch network - a strategy that might have to be revised in the future.

Stock Brokers

	Broad (Many Segments)	Narrow (Few Segments)	
Differentiation	4 <= 4 I	5 <= 2 II	9 <= 6
Cost	III 5 <= 4	IV 11 <= 17	16 <= 21
	9 <= 8	16 <= 19	
2 not accounted for			

Figure 4.6.7.: Strategic Postures of Stock Brokers

Finally, the Stock Broking business expected very much to 'stick with their knitting' which was clearly reflected in the majority of businesses anticipating focus on cost rather than differentiation.

On the whole, the research found that there was little evidence of firms opting for major strategic changes (e.g. cost focus to differentiation leadership) over the period up to 1992. However, there was a clear switch in favour of differentiation and away from a cost-based strategy. Quite clearly this was already an indicator towards increasing competition. As the research was focusing on the traditional five year strategic plans there is a high likelihood that many of the researched companies are still pursuing these strategies. But with so many firms intending to follow the differentiation path it is unlikely that all will succeed. Furthermore, the differentiation drives may create market niches which alert, cost-focused firms are able to develop¹⁷⁹.

Human Resource Strategies

An integral part of the Corporate Strategy is a firm's Human Resource Strategy. As was emphasised earlier this does not mean the 'matching' of HR Strategies to the underlying Corporate Strategy, but rather an integral approach to formulating both.

Some of the implications that arise from the changes in Financial Services and impact on Human Resource Strategies are listed below:

- Adjustment of the number of staff employed due to restructuring and downsizing;

¹⁷⁹ *ibid*, p. 84.

- Adjustment of skill specifications necessitated by the above. This has direct training and re-skilling implications;
- Development of a new internal culture and restoration of morale;
- Change of management styles in the light of new organisational and hierarchical realities;
- Locational implications of re-organisation;
- Development of new skills related to new customer-driven distribution channels and developments in IT.

These implications for HR Strategies arise as direct consequences of Corporate Strategies, but have to be mutually reinforcing, otherwise the strategic goals will not be achievable. It should be self-evident that a drive towards more 'customer care' cannot succeed without appropriate HR strategies.

Implicit in many of the above changes is that the centralised, bureaucratic approach of the past will have to be replaced by a more market-driven approach, with human resources as a key element in the business strategy. Other commentators noted that this required employee commitment, adaptability to change and improved quality of services as the key goals, with HR Strategies being central to successful implementation of business strategy¹⁸⁰. Snape *et al.* go on and argue that, at least on paper, this is consistent with Guest's (1987) characterisation of HRM, with commitment, flexibility, quality and integration as the four goals of the distinctive HRM approach.

The restructuring efforts will have a further effect on future HR strategies. It is highly likely that processing in many of the banks, building societies and general insurers will become centralised in regional centres. This in turn has the effect that staff in both branches and processing centres will require a narrower range of skills than previously. Processing will not be bound to branches' opening hours and greater use of part-time

¹⁸⁰ Snape, Ed; Redman, Tom; Wilkinson, Adrian: Human Resource Management in Building Societies, Human Resource Management Journal, Vol. 3 No. 3, 1993, p. 45.

female labour becomes possible with the obvious implications for promotion and career prospects¹⁸¹. The general view might be that banks, building societies and general insurers, which in general have large branch networks, will not offer careers anymore, but jobs, as the trend away from relationship banking continues¹⁸². This development will be reinforced with the arrival of new distribution media, such as telephone, direct sales and home banking.

However, change in an industry where many of the organisations date back several centuries and have developed elaborate hierarchies, bureaucracies and cultures of compliance, will not come easily and certainly not painlessly. Of prime HRM concern must therefore be the reduction of opposition amongst existing staff to change, and an increase in communication at all levels of the organisation. Communicating strategy is crucial if any goals flowing from the strategy are to be achieved. It is also clear that this takes time - time the players don't really have.

Summary

This chapter highlighted briefly the raw data and characteristics of the Scottish Financial Services sector and the pressures the sector is facing in the 1990s.

The contrast between banking in previous decades and the 1990s is widening dramatically. Customers of Financial Services are more sophisticated than before and, not least due to a long-lingering recession, are more critical about where and what to shop for. Changes in society, employment structures and social life led to the demand for new forms of delivery. With more and more women entering the labour markets this trend can only be enforced. Relatively new forms of shopping, such as teleshopping, do

¹⁸¹ Cressey, Peter: Staff in the '90s: Proletariat or Professionals?, Scottish Banker, August 1993, p. 8.
¹⁸² SFE/Anderson Lyall: Training in European Financial Services: a Comparative review, SFE Member Briefing, July 1993, p. 25.

have an impact on the use of credit and debit cards and will not only require a substantial investment into IT by Financial Service providers, but also the necessary HR changes to go with it.

Legislative changes of whatever political colour in private pensions or healthcare will fuel the demand for new products further.

Declining population trends, the bursting of the house price bubble, a stagnant mortgage market and the likelihood of new EC entrants, have led to a constantly shrinking market for Financial Services. In this situation Financial institutions essentially have to concentrate on the following key success factors:

Capital Strength

The continued attracting of deposits will be paramount to Financial institutions' lending capacity. The cost of capital has a direct impact on pricing products, hence on one of the prime sources of institutions' competitiveness, in a market where competitors quickly follow suit on new product developments. The aforementioned Cheltenham & Gloucester is a good example on how to attract deposits, albeit at a high cost, but simultaneously reducing collecting expenses significantly.

Technology

Technology is a driving factor not only in improving efficiency in service and delivery, but also as a vehicle for new forms of delivery. Unfortunately, it was found that very few Scottish Financial Services make much use of advanced IT skills to achieve a competitive edge¹⁸³. There is a prevailing notion that the use of technology is vital in improving business efficiency thus achieving a 'bigger bang for the buck'. Skill development for new forms of delivery and IT are the immediate HR implications of a concentration on technology.

¹⁸³ *ibid.*, p. 27.

Management

Management in changing organisations has to change as well. This will require new HR strategies and policies as well as having an enormous impact on future strategic recruitment, strategic appraisal and strategic development within the industry. New skills include networking, the ability to work in teams across functions and increased communication awareness.

Profitability

Profitability has to be restored through better risk management and cost control. Lapses in risk assessment that have led to the current bad debt mountain of the Scottish banks must be avoided. Debt-equity swaps are a risky diversification although the performance appears to be better than the original loans¹⁸⁴. Cost control through restructuring of branches and delivery systems has severe implications for HR strategies already mentioned earlier.

Market positioning and delivery

In overcrowded markets positioning becomes more important. Clear customer segmentation, product differentiation and the selective but consequent engagement in speciality niches are promising market strategies. The Royal Bank's acquisition of Adam & Co. was such a move. New delivery systems provide opportunities for differentiation.

¹⁸⁴ Balfour, Alastair; Cardwell, Colin: Bunkered Loans, Scottish Business Insider, August 1993, p. 7.

CHAPTER 5

METHODOLOGY

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METHODOLOGY

Introduction

This chapter presents and discusses the development of the research strategy employed in this study.

Of prime concern was the development of an approach that would guide the researcher through the project. The research strategy ideally should indicate clear time horizons and activity lists through all stages of the study, starting with the initial review of the literature, through the development of the model presented earlier and finally leading to the data collection and analysis.

5.1. Aims and Objectives of the Project

The primary objectives of the study were:

1. To investigate and analyse the roles of Personnel Specialists in the formulation stage of the strategy process.
2. To provide an integrated, normative model of 'good practice', concentrating on possible areas of involvement and the content of Personnel Specialists' tasks in Strategy making, based on the hypothesis that Personnel/HR Specialist are fully involved in the strategy formulation process from the outset. This incorporates the recommendations of leading authors in the area of HRM.
3. To test the model and its hypothesis to evaluate in how far an integration of HR and Corporate Strategy has developed to date.

4. To produce this report of the current practice of integration and to compare the model with current practice, indicating deficiencies and areas of possible improvement.

In essence, the project set out to compare the recommendations and claims of the literature to actual practice in living companies and to derive conclusions from the findings in regard to strategic awareness and involvement of HR practitioners in Scottish Financial Services.

5.2. Research Strategy

The study consisted of six distinctive tasks that were to be linked by the research strategy. These six steps included:

1. Literature review
2. Development of a model of integration
3. Questionnaire design
4. Identification of target companies
5. Data collection
6. Data analysis

The purpose of the strategy was to order and prioritise the tasks allowing the researcher to derive a detailed plan of work and a time schedule within which to operate. Due to funding and registration purposes the overall length of the study was to be limited to a period of two years and ten months commencing in November 1992 and ending in September 1995. These restrictions required an elaborate and detailed time-plan which the researcher was to follow tightly, in order to complete the project in time. The initial plan of work can be found as Appendix 3.

During the course of the investigation several changes to the actual content of the plan of work were made however, the time scale was never jeopardised.

In the following the six elements of the research strategy are elaborated in more detail.

5.2.1. Literature Review

Goal: To enhance the researcher's understanding of the area to be investigated

The literature review covered the two main areas from which the integrated model was to be built. Despite the phalanx of literature available in both areas, the literature on HR in particular did not provide any concise or testable model of involvement of HR specialists in the formulation of strategy, despite the fact that this was often regarded as one of the distinguishing aspects of HRM as opposed to Personnel Management. Contributions to the field of HRM could be considered as being rather of a "soft" nature, i.e. rather unspecified when it came to the question of "*What to do to be strategic?*". The literature review was to include the standard texts as well as contributions from a variety of sources, identified through CD-ROM and on-line searches. To limit the scope of the project to one specific aspect, the literature review concentrated on the formulation stage of strategy, leaving implementation and evaluation aside.

5.2.2. Development of a Model of Integration

Goal: To produce a literature-based model of possible involvement of Personnel Specialists in the Strategy Formulation Process.

During this stage the findings from the literature review were to be combined into one concrete model of involvement. It was the researcher's intention to open the "black boxes" of many models of strategic management and assign concrete tasks, roles and activities to each. At this stage some underlying assumptions were made: firstly, strategy making should follow a clearly laid-out path or structure and be planned, as opposed to an emerging strategy or certain patterns that could be interpreted as strategy. Secondly, it was assumed that elements and properties of the process can be identified, described and eventually be measured or at least classified, i.e. a rather positivist than phenomenological approach was chosen.

The model followed in broad terms the leading authors on Corporate Strategy, but instead of being broadly aimed at organisations as a whole, it concentrated on HR issues. It is highly unlikely that concrete tasks and roles for all organisational members could be combined in one model. It seems more feasible to develop similar models to the one presented for the different operational units of the firm, however with a common layout.

The lack of concise literature on the topic required that several "prototypes" of the final model had to be developed and amended before the final "product" was available. Amendments were made after consultation with academic peers within Napier University and other Scottish Universities. During the modelling phase only limited consultation with practitioners was sought, in order to preserve the literature-based nature of the model and to emphasise it being a model of best practice. During this phase the researcher contacted the University of Mannheim in Germany to gain access to research material and findings of the Price Waterhouse/Cranfield research project. This project was the only one that investigated a similar problem to this study. The fact that no comparable research had been carried out previously required the development of a model which could be assessed using appropriate instruments. It was felt that the two instruments that could reasonably be employed were questionnaires or interviews. In the early stages of the research project interviews appeared to be the most appropriate tool

to receive meaningful and, in particular, honest responses. The interview approach made also sense in relation to money and time available, since fortunately many of the target companies were located in the Glasgow to Edinburgh M8 corridor.

However, during the development phase of the model it became clear that due to the complexity of the model, interviews, even in a structured form, would be likely to exceed respondents' patience. Therefore it was decided to translate the model into a comprehensive questionnaire which would allow respondents to complete the questions in their own time.

5.2.3. Questionnaire Design

Goal: To construct an instrument which would allow the researcher to test the degree of acceptance of and possible variations from the suggestions of the integrated model of Corporate and HR Strategies

The lack of any previous studies in the field required the design of a new, so far untested questionnaire. Contacts with other researchers in Germany, Ireland and Singapore who had carried out questionnaire-based research in the areas of Personnel/HRM and Corporate Strategy proved to be helpful. The likely quality of respondents (Directors and senior managers) allowed the formulation of rather complex and difficult questions with the hope of reasonable and meaningful answers. In order to keep as tightly as possible to the developed model the questionnaire was split into 11 sections:

Section I	Structure of the Human Resource Function
Section II	Corporate Mission
Section III	The Organisation's External Environment
Section IV	Techniques applied in External Analysis
Section V	The Organisation's Industry Environment

Section VI	Human Resource Supply
Section VII	Human Resource Inventory
Section VIII	Analysing the HRM Function and the Organisation
Section IX	Company Profiles
Section X	Formulating Business and Human Resource Strategies
Section XI	Additional Questions about Respondent

Each section of the questionnaire was independent and covered certain areas of the model. The complexity of the model and the questionnaire is underlined by the total number of questions and variables utilised:

	Questions	Areas covered	Variables
Section I	10	6	19
Section II	8	5	23
Section III	15	5	45
Section IV	3	2	20
Section V	14	6	43
Section VI	13	8	52
Section VII	7	4	61
Section VIII	5	4	23
Section IX	3	3	15
Section X	13	9	22
Section XI	6	6	20
(Industry classification)			(7)
Total	97	58	343 (350)

The amount of data to be processed required special techniques which will be elaborated at a later stage. The survey was to cover a substantial number of companies of various sizes from seven different sectors within the Scottish financial services community. It

was realised that some questions or even sections may not be applicable to each individual organisation or respondent. Thus, filter questions were inserted at certain points of the questionnaire to allow respondents to customise the questionnaire to their personal or organisational circumstances. Obviously, certain base criteria had to be gathered for all organisations in the survey and therefore resulted in mandatory questions, e.g. in regard to the size or presence of HR departments.

All questions but one were of a closed nature, i.e. the respondents simply had to tick appropriate boxes. However, differing answers were allowed and an "Other" field provided with each question.

Next, the 11 sections of the questionnaire are introduced and examined in more detail.

5.2.3.1. Section I: Structure of the Human Resource Function

The main purpose at this first stage of the questionnaire was to establish the presence of a HR function in the organisation and to gain basic insight into the structure of it. Further questions related to the title of the department and its head in order to investigate in how far the term "Human Resources" had been introduced and accepted in Financial Services organisations. Furthermore, representation of the HR Function at Board level was examined as a second crucial precondition for a strategic orientation of the management of personnel. The section also elicited information about the size of the firm and its HR department, as well as asking if specialists either from within the department or as outside consultants deal with strategic HR issues. In parts, the first section related to comments made under heading 3.6..

Table 5.2.3.1. illustrates the structure of Section I:

	Questions	Areas (6)	Filters	Skip Area	Skip Section
Section I	10	HR Function presence Title of Dept./HoD HoD member of Executive Board Size of Dept./Organisation SHRM Employees present Outside Consultants used for SHRM	3	3, 5, 6	No

Table 5.2.3.1.: Structure of Questionnaire Section I: Structure of the Human Resource Function

5.2.3.2. Section II: Corporate Mission

Section II related directly to the first step in the strategy formulation process as proposed in the model and outlined under 3.1.1.. In addition to testing the presence and communication of the Mission Statement, this section enquired about the role and influence of the HR function in the process of developing the company's Mission. Particular emphasis was placed on the stakeholder approach to formulate Mission Statements. This was reflected in questions 4 and 5 of the section. Furthermore, the frequency, nature and a possible domination of the formulation process by a particular person or function were investigated.

Table 5.2.3.2. illustrates the structure of Section II:

	Questions	Areas (5)	Filters	Skip Area	Skip Section
Section II	8	Mission Statement (MS) Role of HR in formulating MS Stakeholder approach to formulating MS Formulation of MS formal/regular Formulation dominance	3	3	Yes

Table 5.2.3.2.: Structure of Questionnaire Section II: Corporate Mission

5.2.3.3. Section III: The Organisation's External Environment

The five areas covered in this section related directly to the propositions made under the headings 3.1.2. and 3.1.2.1.. These covered analyses of the remote environment and

included the Economic, Social, Political, Technological and Ecological influences on the firm. There are three similar questions to each area with an equal number of filter questions, allowing respondents to skip each individual factor if they were not analysed by their organisation's HR function. The purpose of this section was to find out about the strategic awareness of the HR function in relation to factors that cannot be influenced by the firm.

Table 5.2.3.3. illustrates the structure of Section III:

	Questions	Areas (5)	Filters	Skip Area	Skip Section
Section III	15	Economic Factors Social Factors Political Factors Technological Factors Ecological Factors	5	1, 2, 3, 4, 5	No

Table 5.2.3.3.: Structure of Questionnaire Section III: The Organisation's External Environment

5.2.3.4. Section IV: Techniques applied in External Analyses

This brief section of three questions related to the heading "Environmental Forecasting Techniques" under 3.1.2.3. and tried to classify the approaches chosen by companies in their analyses of the remote environment. It asked about the origin of the data and the structuring of the analyses to investigate the function's involvement and methods used for analyses. The questions here also served to verify to some degree what has been asked in the previous section, by insisting on classifying the analyses and revealing the true sources of information. It was expected that only the HR departments of the biggest companies in the survey will have the resources to generate all the data themselves and apply structured procedures, or obtain it from other sources within their organisation, whereas smaller competitors would have to rely more heavily on outside advice and information.

Table 5.2.3.4. illustrates the structure of Section IV:

	Questions	Areas (2)	Filters	Skip Area	Skip Section
Section IV	3	Techniques used in External Analyses Computerisation of Analyses	1		Yes

Table 5.2.3.4.: Structure of Questionnaire Section IV: Techniques applied in External Analyses

5.2.3.5. Section V: The Organisation's Industry Environment

Section V related to the industry environment in which the HR function operates. It referred to heading 3.1.2.2. and to the "Competitive position", "Customer Profiles" and "Suppliers and Creditors" headings under 3.1.2.3.. In addition to the "five forces" (see Michael E Porter 2.1.5.) it included questions about the analysis of customers and access to customer-related information as well as the geographical markets in which the firm competed. Particular attention was paid to competitors and supplier and buyer power and its influence on HR issues. If the HR function did not monitor competitors a filter question allowed the respondent to skip the related questions.

Table 5.2.3.5. illustrates the structure of Section V:

	Questions	Areas (6)	Filters	Skip Area	Skip Section
Section V	14	Geographical markets of operations Likelihood of New Entrants Substitute Products/Services Competitor Analysis/Profiles Supplier and Buyer Power Customer Information/Analysis	1	4	No

Table 5.2.3.5.: Structure of Questionnaire Section V: The Organisation's Industry Environment

5.2.3.6. Section VI: Human Resource Supply

Monitoring the supply of Human Resources carefully should be one of the core tasks of any HR function. Section VI therefore covered altogether eight areas of possible

analysis. It related to the heading "Human Resources" in the firm's operating environment mentioned under 3.1.2.3.. The questions enquired about analyses of labour markets in general, as well as future supply-side trends and the techniques used to carry out the necessary forecasting. Since the monitoring of Human Resource supply trends is considered one of the essential tasks of HR Specialists there was only one filter question which allowed the skipping of the whole section. This was a provision for smaller firms with extremely limited personnel functions that might only be concerned with personnel administration.

Table 5.2.3.6. illustrates the structure of Section VI:

	Questions	Areas (8)	Filters	Skip Area	Skip Section
Section VI	13	Labour markets (geographical) Catchment areas (mobility etc.) Demographic supply-side trends Educational supply-side trends Future labour demand Frequency of analyses Computerisation of Analyses Forecasting Techniques	1		Yes

Table 5.2.3.6.: Structure of Questionnaire Section VI: Human Resource Supply

5.2.3.7. Section VII: Human Resource Inventory

This was the second section on what is considered to be "standard" personnel work, i.e. the breakdown of the organisation's HR by certain criteria. In addition to simple criteria like age, gender etc., more difficult to establish criteria were asked for in order to understand to what extent the personnel department was able to identify strengths and weaknesses of the workforce. This procedure is the first step in analysing the company's internal environment from a HR point of view as outlined under sections 3.2. and 3.2.1. A second string of questions was concerned with the use of ratios that can be generated from the basic characteristics of the workforce for evaluation of the effectiveness and

efficiency of the function. Lastly, the use of computers for record-keeping and ratio-generation was investigated.

Table 5.2.3.7. illustrates the structure of Section VII:

	Questions	Areas (4)	Filters	Skip Area	Skip Section No
Section VII	7	HR inventory criteria (standard)	1	1, 2	No
		HR inventory criteria (advanced)			
		HR ratios			
		HR ratios used for evaluation of function			

Table 5.2.3.7.: Structure of Questionnaire Section VII: Human Resource Inventory

5.2.3.8. Section VIII: Analysing the HRM Function and the Organisation

The topic of evaluating the HRM function was continued here from the previous section, however now in more detail. Firstly, a choice of commonly used ratios was suggested and the rhythm of evaluation checked. Secondly, some options concerning a "marketing approach" to evaluating the function were offered. It was felt that this approach which included qualitative items such as 'customer satisfaction' and 'friendliness and availability of staff' would apply to the more sophisticated organisations in the survey. The final question in this section extended the evaluation procedures to the organisation in general trying to establish whether the HR department was involved in identifying strengths and weaknesses in the areas of, for example, image and prestige of the firm and its internal communication channels. In terms of the underlying model, this section related to headings 3.2.2. and 3.2.3..

Table 5.2.3.8. illustrates the structure of Section VIII:

	Questions	Areas (4)	Filters	Skip Area	Skip Section
Section VIII	5	Evaluation criteria Frequency of evaluation Marketing approach to evaluation Evaluation of general organisation	1	1, 2, 3	No

Table 5.2.3.8.: Structure of Questionnaire Section VIII: Analysing the HRM Function and the Organisation

5.2.3.9. Section IX: Company Profiles

Section IX of the questionnaire was concerned with the development of company profiles, or at the very least, the production of certain reports that summarise and combine the findings of the internal analysis. Its purpose was to establish whether the analyses that might have been mentioned before were used to draw up a coherent picture of the company or whether they are separate and unlinked reports. A company profile only reveals strengths or weaknesses of the firm when compared to something else. Therefore, five possible options were given ranging from the nearest competitor to stages of product/market evolution as suggested under 3.3.1. with provision for unlisted options. Companies that did not prepare any summarising reports were filtered out by question 1 of the section.

Table 5.2.3.9. illustrates the structure of Section IX:

	Questions	Areas (3)	Filters	Skip Area	Skip Section
Section IX	3	Company profile developed Company profile compared to Summary of strength and weaknesses	1	2	No

Table 5.2.3.9.: Structure of Questionnaire Section IX: Company Profiles

5.2.3.10. Section X: Formulating Business- and Human Resource Strategies

The tenth section related to the actual strategy making part of the formulation process and included questions about the presence of Business and HR strategies as well as their planning horizons and the role of the individual respondent in their formulation. It was also asked whether the influence of the HR function had changed over the last three years and how important respondents rated this influence.

Question 5 of this section asked about the linkage between the two strategies and offered five options from "No linkage" to "Intrinsic linkage" as suggested by the model. Since the claims made at this point were hard to verify, the last question of the section on the role of the HR function served as a check question to the above. Here four options describing possible roles of the department were given with the provision of a fifth unlisted one.

Table 5.2.3.10. illustrates the structure of Section X:

	Questions	Areas (9)	Filters	Skip Area	Skip Section
Section X	13	Corporate Strategy (CS)/Planning horizon Role of respondent in formulating CS Influence of HR on formulating CS CS formulation rational or political HR Strategy (HRS)/Planning horizon Linkage between HRS and CS Role of respondent in formulating HRS Elements of HRM incorporated in HRS Role of HR function in organisation	2	1-5, 6-8	No

Table 5.2.3.10.: Structure of Questionnaire Section X: Formulating Business- and Human Resource Strategies

5.2.3.11. Section XI: Additional Questions about Respondent

This section aimed to obtain information about the respondent by which to tabulate the responses during analysis. Included are title and function of the respondent, his/her

academic and professional qualifications as well as their past career path. Tabulation and analytical techniques are explained at a later stage.

Table 5.2.3.11. illustrates the structure of Section XI:

	Questions	Areas (6)	Filters	Skip Area	Skip Section No
Section XI	6	Job title of respondent Function of respondent Academic qualification Professional qualifications Respondent's functional career history Respondent's industrial career history	0		

Table 5.2.3.11.: Structure of Questionnaire Section XI: Additional Questions about Respondent

On a general note, the length and depth of the questionnaire required that considerable care had to be taken in regard to the design, presentation and layout of the material, if a reasonable response rate was to be achieved. To this end "*The Total Design Method*" (TDM) was applied at both the questionnaire design and data collection stage¹⁷⁷. At this stage that meant paying extreme attention to the front cover of the questionnaire, the order of the questions and finally the envelope that contained the questionnaire. TDM was used to make sure that the questionnaire would be immediately differentiated from junk mail. Further TDM considerations are explained under 5.2.5.3..

5.2.4. Identification of Target Companies

Goal: To isolate a population of companies in the Scottish Financial Services Community on which the model can be tested

¹⁷⁷ Frankfort-Nachmias, Chava; Nachmias, David: *Research Methods in the Social Sciences*, 4th Ed., Edward Arnold 1992, p. 219.

The selected target sector was already discussed in detail in Chapter 4. The following considerations influenced the decision to concentrate the research on Scottish Financial Services:

1. The importance of the sector to the Scottish economy in general.
2. The spectacular growth of the sector in terms of employment over the last decade or so, which, as was mentioned earlier, allows the hope that there is some structured approach to the management of HR.
3. The convenient location for the purposes of the research of many of the companies in the M8 corridor.
4. The relatively small number of establishments which meant that at least a substantial part of one complete industry could be covered.

Despite the relatively small size of the sector varying counts and definitions of constituent companies existed. Dun and Bradstreet, for example, listed 199 companies in the Edinburgh and Glasgow area whereas Lotus one (ICC) identified 296 in the same geographical location (excluding Building Societies)¹⁷⁸. A closer investigation of the Dun and Bradstreet Data revealed that their directory included very small insurance offices/insurance brokers which for obvious reasons would have to be excluded from the overall number in a research project concentrating on Corporate and HR strategies. Furthermore, many large insurance companies and fund managers own investment or unit trusts which form separate companies and appear in directories, but in fact are managed and operated by staff at the parent company.

A second major source of information was the Scottish Financial Enterprise Directory which, incidentally, was to form the backbone of the sample. The SFE Directory listed companies by the following types directly related to the provision of financial services:

¹⁷⁸ Coopers & Lybrand: Scottish Financial Services: Maximising International Competitiveness, Summary Report, June 1993. Consultancy Report commissioned by Glasgow Development Agency, Lothian & Edinburgh Enterprise and Scottish Financial Enterprise.

- Banks
- Life assurance and insurance
- Corporate Finance
- Fund Managers
- Stock Market Services
- Accountants
- Lawyers
- Building Societies
- Actuaries, Insurance Brokers and Advisers
- Financial Information

Membership, however, and consequently entry into the directory is voluntary and therefore not all companies in the sector are listed in the SFE directory. It also includes companies that are not "Scottish", in a sense that their parent company is from abroad and they operate only on a limited basis within this country, i.e. with a branch or representatives. This is true for many English-based building societies that have numerous branches in Scotland but process and manage most aspects of business, including HR at head offices in England. These companies were excluded from the survey. Further companies and contacts were identified from the Building Societies Handbook and Scottish Business Insider's top 500 companies¹⁷⁹.

In cooperation with SFE the researcher developed a database of 126 contacts in 97 companies which fulfilled the following criteria:

1. The main business activity is in banking, life assurance and insurance, corporate finance, fund management, stock market services, accountancy services, corporate

¹⁷⁹ Scottish Business Insider: Our growing Galaxy, January 1994, pp. 6-88.

- legal services, or as a Building Society, as Actuaries, Insurance Brokers and Advisers or in providing financial information; and
2. the parent company is Scottish; or
 3. the company is foreign but HR issues are at least to some extent dealt with in this country; and
 4. the company has more than 50 employees.

In the initial stages of the target search 122 companies were identified and contacted with a request for company information (Annual Reports, Mission Statements etc.). During December 1993 the researcher contacted the 122 companies by telephone to identify the HR Director or equivalent, as well as two or three further members of the HR Management Team where appropriate. Findings were first entered into previously created call records/contact sheets and later into the computer. After this stage the target group was reduced to 126 contacts in 87 companies. This reduction became necessary because some companies in the target group did not have specific HR functions. Since the target companies varied considerably in size from ca. 50 employees to more than 16,000 so did the size of their HR departments. Therefore, in some cases one, in others four persons involved in HR issues could be identified. But even in companies of similar size and activities the number of contacts varied.

The summary statistics of the target population are listed in Table 5.2.4.1.:

Respondent	Count
HR Directors	73
HR Manager 1	28
HR Manager 2	12
Others: (Unspecified)	(13)
Total	113 (126)

Table 5.2.4.1.: Breakdown by level of respondent (Unspecified refers to companies where no contact names could be established)

The ten industry subgroups mentioned above were condensed into seven groupings due to a very low count in three subgroups (Table 5.2.4.2.):

Industry	Count (specified)	Count (unspecified)
Life insurance & assurance; General insurance	38	(1)
Fund Managers	13	(1)
Banks	18	(2)
Lawyers	9	(1)
Accountants	14	(4)
Support Services -Corporate Finance -Stock Market Services -Financial Information	12	(3)
Building Societies	9	(1)
Total	113	(13)

Table 5.2.4.2.: Breakdown by Industry

5.2.5. Data Collection

5.2.5.1. Pilot-Study

A pilot-study was carried out between mid-December 1993 and the end of February 1994. The total sample size was 36, which represented ca. 25% of the planned main survey. Six members of the sample were Personnel Managers in local companies operating in industries other than financial services. They were contacted by mail and telephone to ensure commitment to completion of the questionnaire. The other 30 were members of the 1993/1994 IPM class at Napier Business School Edinburgh.

Unlike the main survey which focused exclusively on Directors and senior managers in Scottish Financial Service institutions, the pilot-survey sample consisted of a random selection of public and private sector organisations in a variety of industries. Although the majority of respondents were managers, directors, section or departmental heads (70.8%) the sample included also non-managerial employees such as Personnel Officers and Assistants (29.2%).

The purpose of this preliminary investigation was threefold. Firstly, to iron out any remaining bugs in the design of the questionnaire, in particular the wording and order of questions but also the cover letter and the overall presentation. Secondly, to enable the researcher to get an initial feel for the likely outcome of the main survey. Thirdly, to develop, programme and test the analytical framework to be used for the main survey.

To this end participants in the pilot-study were encouraged either by the researcher in person or by a covering letter to be critical on the questions and comment on possible improvements to wording or presentation. Furthermore, attached to the questionnaire was an evaluation form asking respondents about their general impression and if they would complete the questionnaire, if sent to them unsolicited.

Generally, the questionnaire left a positive impression on respondents with three of the five evaluation criteria (Layout and presentation, Structure, Understandability, Length and Content) scoring above average (on a scale of 1 to 5). However, when asked about the length and understanding of the questions, respondents' averages were 2.7 and 2.9 respectively. The average time it took respondents to complete the questionnaire was 24 minutes.

A majority of 12 respondents (63.2%) stated that they would fill in and return the questionnaire if sent to them unsolicited. Although very positive, this figure had to be

interpreted with caution since the 12 responses received represented only 1/3 of the sample and it could be assumed that because of the nature of the sample composition (purposeful) a rather beneficial attitude towards HR research was likely.

The respondents that would not fill in the questionnaire if it was sent to them unsolicited were then asked about what would make them change their mind. Six stated that a letter explaining the research and survey prior to the questionnaire would help.

The recommendations by respondents in regard to question formulation and introduction to the research project were taken into consideration and resulted altogether in the change of the answering options, the layout and the instructions of nine questions, and two amendments to the skip patterns in Section I and II. An additional introductory letter of one-and-a-half pages explaining the research and the technicalities of the survey was developed to be sent out prior to the questionnaires.

5.2.5.2. Pilot-Study Findings

At the cut-off date (28 February 1994) 24 questionnaires were returned, yielding an exact 2/3 or 66.7% response rate for the pilot-survey.

Although the pilot-study yielded some very interesting findings they will only be reported here briefly. A more detailed account of the findings is enclosed as Appendix 4.

On a positive note, there appeared to be some attempts at a more strategic orientation of HRM but they were still few and far between. Most organisations nowadays possess the three basic elements for a successful integration of Corporate and HR Strategies: Mission Statement, Corporate Strategy (CS) and HR Strategy. However, the impression could not be avoided that Mission Statement and CS tend to be made under exclusion of

the HR function and that HR Strategy is attached to the organisation's CS. Despite some controversial answers to the linkage between CS and HR Strategy this seemed to be the trend.

One negative impression from the survey was the obvious ignorance of environmental reality by the majority of respondents.

An integrated model of HR and Corporate Strategy such as the one proposed could most certainly not be derived from these preliminary results. In general, reactivity rather than a proactiveness seemed to characterise the work of Personnel Specialists in this pilot-survey.

5.2.5.3. Main Survey

The data on which the research findings are based were obtained from a census of all companies that had been identified by the criteria mentioned under 5.2.4. The census was geared towards HR directors, very senior HR managers in various specialist areas, and in the case of smaller Scottish companies where no direct HR posting existed, towards the Managing Director or Partner in charge.

A first introductory letter was sent to participants on 28 April 1994 by first class mail. This letter invited the addressee to take part in the research project, listed sponsors and supporting institutions, explained the benefits of the research and what will happen next (Appendix 5). On 05 May 1994 a copy of the questionnaire was posted together with a prepaid return envelope in a presentation folder and a cover letter (Appendix 6), once again by first class mail. For purposes of identification of the responses by any of the seven industry groupings mentioned earlier the return envelopes were coded in the first line of the return address (Table 5.2.5.1.).

Group #	Industry	Count	First Line of Label
1	Insurance	39	CZ
2	Fund Managers	14	CZ/HRM Section
3	Banks	20	C. Zorn
4	Lawyers	10	C. Zorn/HRM Section
5	Accountants	18	Christopher Zorn
6	Support Services	15	Christopher Zorn/HRM Section
7	Building Societies	10	HRM Section
Total		126	

Table 5.2.5.1.: Envelope identification

Returned questionnaires were acknowledged by personal letter which included a reminder to encourage colleagues of the respondent to complete and return the questionnaire, too.

As part of the TDM strategy multiwave follow-ups were implemented¹⁸⁰. During the first follow-up wave a reminder postcard (Appendix 7) was mailed on 26 May to non-respondents, i.e. three weeks after the questionnaire went out. The second wave consisted of a more formal reminder letter in week seven after the questionnaire went out (Appendix 8). The last wave then followed up with telephone calls to non-respondents. The calls were carried out during week ten and eleven (04-15 July 1994). Data collection was closed on the 16 July 1994. Responses by participants were acknowledged by a thank you letter (Appendix 9). The overall outline of the survey administration can be found in Appendix 10.

¹⁸⁰ Frankfort-Nachmias, Chava; Nachmias, David: Research Methods in the Social Sciences, 4th Ed., Edward Arnold 1992, pp. 219-220.

All correspondence with participants was personalised and signed individually. The database was administered using Microsoft Access 1.0 with all entries being regularly exported to Microsoft Word for Windows 2.0 for further processing and the generation of mail-merge documents.

5.2.6. Data Analysis

The analysis of data means tallying and averaging responses and the investigation and comparison of their relationships¹⁸¹. The analysis of data, especially in large numbers, is greatly aided by computers and special statistical software packages that allow fast and efficient creation of data files. The complexity of the data collection instrument (see 5.2.3.) and the sheer number of data points required a more innovative approach to data entry and the creation of data files for analysis. Computerised data files are usually required to be rectangular¹⁸², i.e. variables along one axis and cases along the other. Although most statistical packages allow for an enormous number of cases they place limitations on the number of variables that can be entered, usually along the x-axis of a matrix. All packages readily available to the researcher limited the number of variables to 256, far short of the 350 that were required. To mend this deficiency, the following approach was taken:

1. Two input interfaces were programmed in Microsoft Access 1.0 which resembled the layout of the questionnaire and included tick-boxes and fields which would translate the answers into the respective codes. Since the underlying structure to most computerised databases is a spreadsheet-style rectangular matrix, the datafiles

¹⁸¹ Fink, Arlene; Kosecoff, Jacqueline: How to conduct surveys - A step-by-step guide, Sage Publications London 1985, p. 73.

¹⁸² Bourque, Linda B.; Clark Virginia, A.: Processing Data - The Survey Example, Sage University Paper London 1992, pp. 44-46.

were already in the correct format. The variables (columns) of the underlying matrix were kept at under 256 per file.

- 2. To overcome the traditionally weak graphic capabilities of statistical packages, the data files were exported in Microsoft Excel format for further treatment. They were split into the eleven sections of the questionnaire to be cleaned and to undergo basic tabulation. To this end the researcher programmed eleven spreadsheets in Microsoft Excel 4.0 which would tabulate the answers to each question in each section and present the results both numerically and graphically.
- 3. To carry out more advanced comparative analyses on the critical questions on the existence of Corporate and HR Strategies, the key activities derived from the model of integration as well as the role of the respondent in formulating these the following questions were identified:

I.1	VI.1
I.2a	VII.1
II.1	VIII.1
II.3	IX.1
III.A1	X.1a
III.B1	X.2a
III.C1	X.3a
III.D1	X.5a
III.E1	X.5c
V.2	X.6
V.4	X.8
V.5	

as well as

I.3a
I.4b

as filter/sorting/analysis criteria.

These key questions were extracted from the overall dataset and exported to SYSTAT for Windows to undergo a χ^2 (Chi-squared) analysis (5.2.6.2.).

5.2.6.1. Tabulation

The first step of the analytical procedure involved the tabulation of the data and its expression in percentages as well as the graphical presentation of the survey findings. These tables served two major purposes: First, to present the data to survey users in a convenient form and second, to provide the researcher with a check on the information obtained. Every table contained at least a count of responses to each code category and a percentage expression in terms of all answers.

The tabulation was carried out using Microsoft Excel 4.0 which was programmed to produce both tables and graphs. Also contained in the spreadsheets were the codes used for each question. The clear advantage of using a spreadsheet for the tabulation was its flexibility to accommodate extra variables and the virtually unlimited capacity in terms of variables and cases, i.e. columns and rows.

5.2.6.2. χ^2 Chi-squared analyses

Due to the categorical or nominal nature of the data collected a non-parametric test is required to compare different subjects, objects or responses which fall into various categories¹⁸³. For this purpose χ^2 tests can be used. The technique is of the goodness-of-fit type in that it may be used to test whether a significant difference exists between an observed number of responses falling in each category and an expected number based upon a null-hypothesis. That is, the χ^2 test assesses the degree of correspondence between the observed and expected observations in each category.

To compare an observed with an expected group of frequencies, the expected frequencies must be stated first. The null-hypothesis H_0 states the proportion of responses falling in each of the categories in the presumed population. That is, from the

¹⁸³ Siegel, Sidney; Castellan, N. John: Nonparametric Systems for the Behavioral Sciences, 1988, pp. 24-25.

H_0 it may be possible to deduce what are the expected frequencies. The χ^2 technique gives the probability that the observed frequencies could have been sampled from a population with the given expected values¹⁸⁴.

The H_0 is tested by using the following statistic¹⁸⁵:

$$\chi^2 = \sum \frac{(fo - fe)^2}{fe}$$

where: fo = An observed frequency

fe = An expected frequency

To evaluate comparisons for χ^2 tests a hypothesis must be stated that will be, depending on the test results, accepted or rejected. However, because of the mathematical structure, χ^2 tests can show that there are differences between the groups but they cannot prove what these differences are. Null-hypotheses are tested with by comparing the calculated χ^2 value against a critical χ^2 value. A χ^2 value resulting from a test that is larger than the critical χ^2 value derived from a table, or nowadays produced by computer would mean that the hypothesis has to be rejected¹⁸⁶.

The null-hypotheses and alternative hypotheses to be used in Part B of Chapter 6 will be stated as follows:

$$H_0 : p_1 = p_2 = p_{n-1} = p_n$$

$$H_1 : p_1 \neq p_2 \neq p_{n-1} \neq p_n$$

In chapter six the main findings of the survey will be discussed, taking into account the analytical techniques described here.

¹⁸⁴ *ibid.*, p. 45.

¹⁸⁵ Levin, Richard I.: *Statistics for Management*, 3rd Ed. 1984, p. 432.

¹⁸⁶ Siegel, Sidney; Castellan, N. John: 1988, pp. 48-49.

CHAPTER 6

PRESENTATION AND ANALYSIS OF SURVEY RESULTS

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PRESENTATION AND ANALYSIS OF SURVEY RESULTS

Part A Survey Results

Introduction

This chapter presents the results and main findings of the survey. Once again the structure of this chapter follows the sections of the questionnaire and thus the model of integration presented in Chapter 3.

Prior to the discussion of results the composition of the survey responses will be introduced. These data were extracted from Section XI *Additional Questions About Respondent* and is complemented by data from Section I.

6.1. Survey Statistics

6.1.1. Responses and Response Rate

During the survey period between 05 May and 16 July 1994 altogether 40 of the 126 questionnaires posted out were returned yielding a response rate of 31.7%. Two of the 40 questionnaires had to be excluded from the survey, one for being only partially completed, the other one for being apparently carelessly completed with the majority of questions either unanswered or answered as "*Don't know*". The response rate development over the survey period is shown in Table 6.1.1.1..

SURVEY RESPONSE RATE DEVELOPMENT			
Date	No/Day	Responses	Response Rate
09-May	4	4	3.2%
10-May	5	9	7.1%
11-May	4	13	10.3%
12-May	2	15	11.9%
15-May	1	16	12.7%
16-May	4	20	15.9%
19-May	1	21	16.7%
20-May	1	22	17.5%
25-May	1	23	18.3%
26-May	1	24	19.0%
30-May	3	27	21.4%
02-Jun	1	28	22.2%
14-Jun	1	29	23.0%
15-Jun	1	30	23.8%
17-Jun	2	32	25.4%
20-Jun	2	34	27.0%
23-Jun	3	37	29.4%
24-Jun	1	38	30.2%
27-Jun	1	39	31.0%
01-Jul	1	40	31.7%

Table 6.1.1.1.: Response Rate Development

Although the reminder letters one and two impacted on the response rate development, their impact was less significant than hoped. The successes reported by an American research team¹⁸⁵ could certainly not be repeated in this research project. However, without the two reminders the above response rate would not have been achieved (Figure 6.1.1.1.). The telephone follow-up yielded no additional responses. This was most probably due to the fact that those respondents who were interested in the research had already replied and all others were not considering replying in the first place.

¹⁸⁵ Frankfort-Nachmias, Chava; Frankfort-Nachmias, David: Research Methods in the Social Sciences, London 1992, p.219.

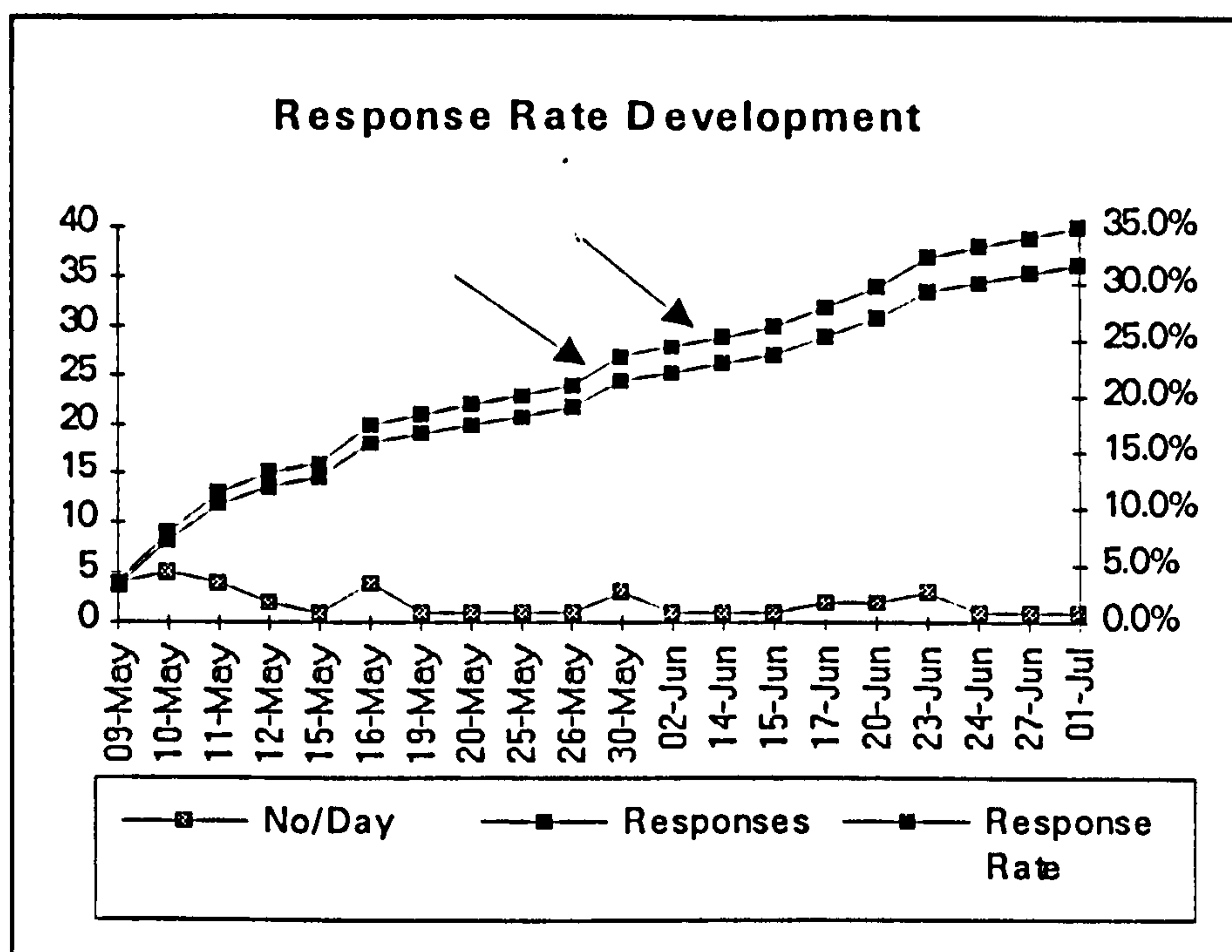


Figure 6.1.1.1: Response Rate Development showing Reminder Letter Impact (First arrow from left: Reminder Postcard; Second arrow: Reminder Letter)

The 38 usable responses received came from altogether 32 companies, i.e. from some companies more than one reply was received. Unfortunately, this was the exception rather than the rule so that an analysis by company was not possible. In fact, due to a takeover, one additional company whose HR function was incorporated into the mother company could be included into the count. Therefore 33 of the targeted 86 "major players" of Scottish Financial Services replied, yielding a nominal coverage of 38.4%. In terms of employment the responding companies employed 107,629 staff, covering 51.5% of the 209,000 people¹⁸⁶ employed in Scottish Financial Services.

6.1.2. Respondents' Profiles

The 32 respondents were distributed over the seven industry sub-classifications of Insurance/Assurance, Fund Managers, Banks, Lawyers, Accountants, Support Services and Building Societies as follows (Table 6.1.2.1.):

¹⁸⁶ Source overall employment: SFE Research Data, Autumn 1994.

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
14	43.8%	Insurance
4	12.5%	Fund Managers
3	9.4%	Banks
0	0.0%	Lawyers
6	18.8%	Accountants
2	6.3%	Support Services
3	9.4%	Building Societies
32	100.0%	Total

Table 6.1.2.1.: Respondents by type of industry

A comparison of the percentage distribution of responses with the composition of the sample shows that the responses by industry groupings follow roughly the original sample composition (Table 6.1.2.2.)

Group #	Industry	Count	Percentage of Total	Responses
1	Insurance	39	31.2%	43.8%
2	Fund Managers	14	11.1%	12.5%
3	Banks	20	15.9%	9.4%
4	Lawyers	10	7.9%	0.0%
5	Accountants	18	14.4%	18.8%
6	Support Services	15	11.9%	6.3%
7	Building Societies	10	7.9%	9.4%
Total		126	100%	100.0%

Table 6.1.2.2.: Comparison of sample composition with responses

From Section XI *Additional Questions about Respondents* further information about the composition of the sample could be derived. The majority of respondents held the job title of *HRM Manager or Personnel Manager* (56.3%) with *Director of HRM or Personnel* coming second at 12.5% (Question XI.1). However, within the HRM and Personnel Manager Group the larger organisations often called their senior HR staff *General or Chief Manager HR/Personnel*. Question XI.2 therefore asked for the role the respondent played within the HR function. The responses to this question showed a more varied picture (Table 6.1.2.3.):

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
6	18.8%	Director
3	9.4%	Training Mgr.
1	3.1%	Recruit. Mgr.
9	28.1%	Manager
4	12.5%	Officer/Specialist
0	0.0%	Assistant
8	25.0%	HOD
1	3.1%	Section Head
0	0.0%	No answer
32	100.0%	Total

Table 6.1.2.3.: Function of respondent within department (Question XI.2)

Under 3.6. the implications of a model of pivotal integration were highlighted. Mentioned amongst these were concerns about the skills and qualifications of strategic HR staff and the requirement of sound analytical and quantitative skills. Questions XI.3 and XI.4 asked for the academic and professional qualifications of the respondents. The results show that exactly half held at least a Bachelors Degree (50%) with an additional 18.7% having obtained a postgraduate degree at Masters Level. Master of Business Administration degrees were not popular amongst respondents with only one respondent holding this type of degree (Table 6.1.2.4.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
1	3.1%	O-levels
4	12.5%	A-Levels
3	9.4%	HNC/HND
1	3.1%	MBA
16	50.0%	Bachelors Degree
5	15.6%	Masters
0	0.0%	Doctorate
2	6.3%	No answer
32	100.0%	Total

Table 6.1.2.4.: Academic qualifications of respondents (Question XI.3)

Amongst the professional qualifications exactly 50% of respondents held non-HR related qualifications. Fifteen respondents held an IPM/ITD qualification of some kind (Question XI.4). These finding were supported by the answers to Questions XI.5 and XI.6 about the respondents' career history. Only 28.1% of respondents had always worked in HR with the remainder coming from other backgrounds (Table 6.1.2.5.). Interestingly, none of the respondents had a corporate strategy background.

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
8	25.0%	Finance
2	6.3%	Marketing
9	28.1%	Operations
0	0.0%	Corp. Strategy
9	28.1%	Always HR
4	12.5%	Other
32	100.0%	Total

Table 6.1.2.5.: Career tracks of respondents (functions) (Question XI.5; multiple answers)

A similar though less clear cut picture about respondents' careers could be drawn from Question XI.6. Only 37.5% of respondents had always worked in Financial Services (Table 6.1.2.6.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
6	18.8%	Manufacturing
3	9.4%	Retail/Wholesale
4	12.5%	Civil Service
0	0.0%	Mining
12	37.5%	Always in Fin. Services
7	21.9%	Other
32	100.0%	Total

Table 6.1.2.6.: Career tracks of respondents (industry) (Question XI.6)

The analyses of Questions XI.3, XI.4, XI.5 and XI.6 drew an encouraging picture about the qualifications and skills of HR Specialists within the target group in light of the analytical and business skills required for pivotal integration. At least on paper the necessary analytical and logical qualities seemed to be existent amongst HR Specialists with many of the respondents holding BA degrees in various subjects. In particular in the insurance sector a large number of respondents held BA degrees in mathematics; an indication of previous positions in areas other than HR.

Full tables and graphs to this section can be found in Appendix 21.

6.2.1. Analysis of Section I: Structure of the Human Resource Function

In this introductory section 93.8% of respondents stated that their organisation had a personnel function. The remaining two answers (6.3%) came from separate organisations which were unsurprisingly small in size and did not have a special function to deal with Human Resource issues. The function was typically still titled "*Personnel*" (70%) with only every sixth company (16.7%) having a "*Human Resources*" department or function. The same was true for the title of the head of the function with "*Manager Personnel*" and the previously mentioned variations of *Chief*, *General* etc. dominating the picture. (Table 6.2.1.1.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
2	6.7%	Director HR
6	20.0%	Director Personnel
3	10.0%	Manager HR
11	36.7%	Manager Personnel
4	13.3%	Head of HR
0	0.0%	Head of Personnel
1	3.3%	Staff Partner/Mgr
1	3.3%	Director Other
2	6.7%	Manager Other
30	100.0%	Total

Table 6.2.1.1.: Title of Head of department dealing with HR issues (Question I2b)

This seemed to indicate that no change in denomination has taken place yet. As was explained earlier one particular aspect of a more strategic orientation of HR as opposed to Personnel is the representation of HR issues at Board level in the organisation. This representation was tested with Question I.3a where an exact 50/50 split was found. (Table 6.2.2.2.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
15	50.0%	Yes
15	50.0%	No
30	100.0%	Total

Table 6.2.1.2.: Is head of department Executive Board member? (Question I.3a)

In the 15 cases where HR had no Board representation it was most likely that the Chief Executive Officer or Managing Director represented HR issues (46.7%). This representation at the organisation's main policy-making forum has been termed one of the three "proxies" of integration¹⁸⁷, with the other two being (a) HR specialist involvement in corporate strategy formulation and (b) the linkage between corporate and HR strategy. We will return to the second and third at a later stage. Brewster and Holt's equivalent question found a UK figure of HR Board level representation of 47% (1990/91 figures), the same as the figure of Scotland's financial community in 1994. Four years down the line representation at board level was still not commonplace, but more concerning was the fact that it did not seem to have increased since 1990/91.

Since the replies to the survey came from a wide range of different sized establishments, the sizes of the departments dealing with HR issues varied considerably (Table 6.2.1.3. and Figure 6.2.1.1.).

<i>Cum. Count</i>	<i>Count</i>	<i>Percent</i>	<i>Answer</i>
15	15	46.9%	1-4
17	2	6.3%	5-9
24	7	21.9%	10-49
26	2	6.3%	50-99
32	6	18.8%	100-199
32	0	0.0%	200+
	32	100.0%	Total

Table 6.2.1.3.: Size of Personnel department (Question I4a)

It was surprising that there seemed to be clusters at data points 1, 3 and 5. This was particularly interesting since the distribution of respondents' overall company sizes shows a slightly different picture (Figure 6.2.1.2.).

¹⁸⁷ Brewster, Chris; Larsen, Henrik Holt: Human Resource Management in Europe: evidence from ten countries, International Journal of Human Resource Management Vol. 3 No. 3, December 1992, p. 416.

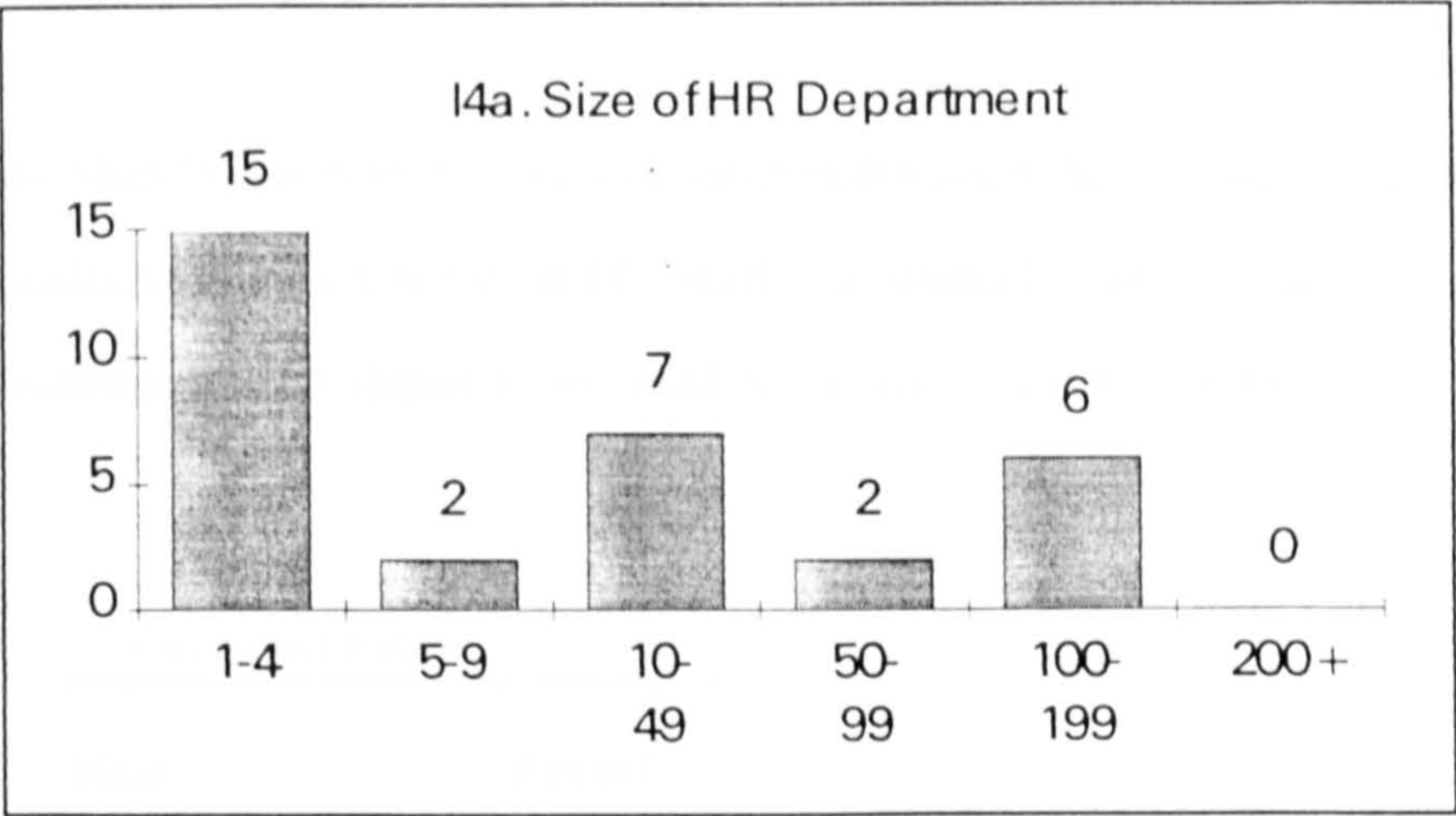


Figure 6.2.1.1.: Size of HR Department

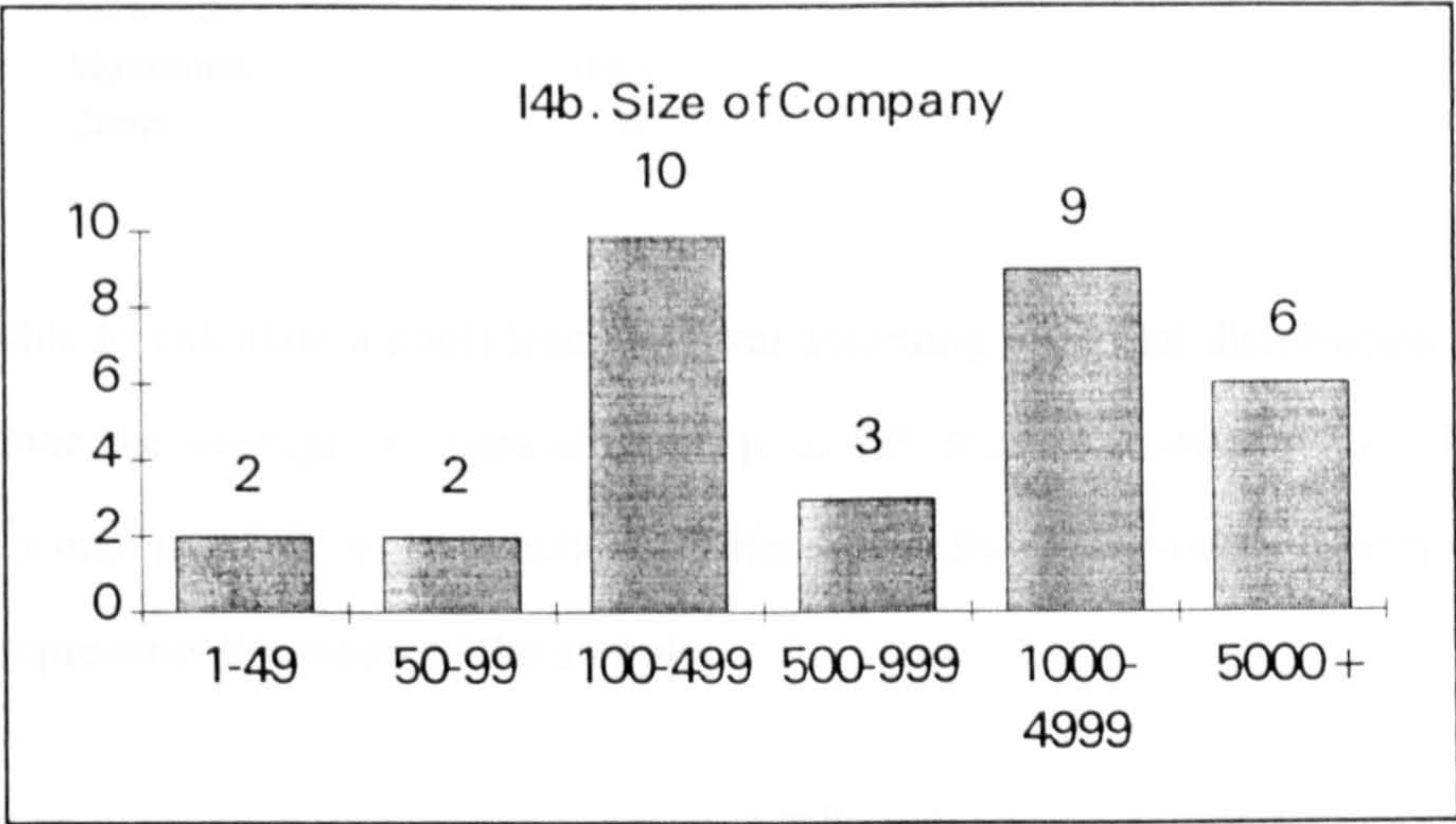


Figure 6.2.1.2.: Size of Company

However, the calculation of a Pearson Correlation between the two variables showed a value of 0.844, i.e. a strong confirmation that there is a relationship between the two despite the slightly different looking distributions. Table 6.2.1.4. depicts the calculated ratios of HR staff to overall company size.

Cum. Count	Count	Percent	Answer
3	3	9.4%	1-4 /1000empl.
12	9	28.1%	5-9 /1000empl.
24	12	37.5%	10-19 /1000empl.
31	7	21.9%	20-49 /1000empl.
32	1	3.1%	50-99 /1000empl.
32	0	0.0%	100+ /1000empl.
	32	100.0%	Total

Table 6.2.1.4.: Ratio HR headcount/overall company size

Despite the slightly different distribution patterns between the two size variables I.4a and I.4b, the calculated ratios between HR staff and overall company size showed a near normal distribution. This distribution could be characterised by the following descriptive statistics:

<i>Calculated Ratio</i>	
Mean	0.01597
Standard Deviation	0.01258
Variance	0.00016
Range	0.05
Minimum	0
Maximum	0.05
Count	32

It is possible to calculate a confidence interval assuming a normal distribution of the data to determine the average or "typical" ratio μ of HR staff to company size. This can be done by using the following function of the normally distributed random variable x , where x represents the mean of the sample:

$$Z = \frac{x - \mu}{\frac{\sigma}{\sqrt{n}}}$$

With the value of Z for a 95% confidence interval being 1.96 the upper and lower limits can be calculated as follows:

$$1.) \quad -1.96 \leq \frac{x - \mu}{\frac{\sigma}{\sqrt{n}}} \leq +1.96$$

$$2.) \quad -1.96 \cdot \frac{\sigma}{\sqrt{n}} \leq x - \mu \leq +1.96 \cdot \frac{\sigma}{\sqrt{n}}$$

$$3.) \quad x - 1.96 \cdot \frac{\sigma}{\sqrt{n}} \leq \mu \leq x + 1.96 \cdot \frac{\sigma}{\sqrt{n}}$$

with $\sigma = 0.01258$ $x = 0.01597$

Thus:

Lower limit of μ : 0.01161, i.e. ca. 12 HR staff per 1000 employees

and

upper limit of μ : 0.02033, i.e. ca. 20 HR staff per 1000 employees.

The average or typical ratio HR staff to total employees lies with a 95% probability between 12 and 20 per 1000 employees. Brewster and Holt reported an equivalent figure of 13.9 personnel functionaries per 1000 employees in 1991¹⁸⁸. Their rationale was that the more personnel specialists are employed in a central staff function the less devolvement there is of personnel management to line managers. Although the investigation of *devolvement* is not a central theme of this research, it is interesting to notice that the companies in the survey showed a less apparent tendency towards devolvement than the companies investigated by the above authors.

Question I.5a investigated the existence of strategy specialists within the HR department. Only 37.5% of respondents confirmed that there were specialists available to deal with strategic HR issues. There was no indication towards one particular denomination of this section or these specialists. This might indicate that there was no direct link of strategic issues to one particular position, but rather an allocation according to "needs" or maybe qualifications of the respective job-holders.

Strategic HR issues were also not the main concern of outside consultants who had been employed by 12 respondents during the last two years (Table 6.2.1.5.), with advice on HR Strategy sought by only two respondents. Many of the requests of outside assistance were for performance measurement systems and job grading schemes classified under "*Other*" in Table 6.2.1.6.. It could be argued that these aspects of HR work are strategic, but for the purpose of this research they are excluded.

¹⁸⁸ *ibid.*, p. 422.

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
10	31.3%	Yes
22	68.8%	No
32	100.0%	Total

Table 6.2.1.5.: Outside Consultants employed? (Question I6a)

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
0	0.0%	0.0%	Industrial Rel.
0	0.0%	0.0%	Corporate Strategy.
1	10.0%	3.1%	Orga. Dev.
2	20.0%	6.3%	HR Strategy
7	70.0%	21.9%	Other
10			Total

Table 6.2.1.6.: Which expertise sought from outside consultants? (Question I.6b)

Full Tables and Graphs for Section I: Structure of the Human Resource Function can be found in Appendix 11.

6.2.2. Analysis of Section II: Mission Statements

Section II tested the existence of Mission Statements within the responding companies, the role the HR function played in its formulation and whether the more "customer-focused" approach of stakeholder identification was used. Most (78.1%) of organisations in the survey had a Mission Statement either in a written (75%) or in a unwritten (3.1%) form. However, it has to be said that the use of an unwritten Mission Statement is doubtful and its communication probably very difficult. Financial Services providers without a clearly stated and communicated Mission Statement were clearly in a minority in 1994 (Table 6.2.2.1.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
24	75.0%	Yes, written down
1	3.1%	Yes, unwritten
7	21.9%	No
0	0.0%	Don't know
0	0.0%	No answer
32	100.0%	Total

Table 6.2.2.1.: Does your organisation have a Mission Statement? (Question II.1)

The communication of the Mission Statement to employees was dominated by written media, although in a considerable number of cases (14) it was also communicated by managers verbally. Some companies integrated the communication of their Mission into special training sessions or awareness programmes. Besides these exceptions the overall communication channels used in respondents' organisations were as follows (Table 6.2.2.2.):

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
19	76.0%	59.4%	Newsletters
12	48.0%	37.5%	Employee handbooks
2	8.0%	6.3%	Job descriptions
9	36.0%	28.1%	Display in offices
14	56.0%	43.8%	Managers
2	8.0%	6.3%	Business Plan
58		Total	

(N.B.: Multiple answers from 25 companies that have a written or unwritten Mission Statement)

Table 6.2.2.2.: Communication of Mission Statement (Question II.2)

This rather positive picture about the existence of Mission Statements was tainted by the results of the actual involvement of HR Specialists in the formulation of the Corporate Mission. In just over half of the responding companies the HR function was involved in the formulation of the Mission Statement in one form or another (53.1%). Of those that were involved two (6.3%) were leading the formulation from the outset, twelve (37.5%) were involved from the outset and three (9.4%) were consulted only on specific matters. The stakeholder approach to formulating the Mission Statement was not very popular amongst those 17 respondents where the HR function was involved in the formulation. Only a calculated six respondents looked after the interests of potential stakeholders giving nine replies (multiple answers) (Table 6.2.2.3.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
4	23.5%	12.5%	Identification of stakeholders
2	11.8%	6.3%	Stakeholders' claims
3	17.6%	9.4%	Stakeholders values
10	58.8%	31.3%	None
1	5.9%	3.1%	Other
20			Total

(N.B.: Multiple answers from 17 companies where the HR function is involved in the formulation of the Mission Statement)

Table 6.2.2.3.: Stakeholder approach to formulating MS (Question II.4)

The most likely stakeholders to be asked about their expectations were management and employees. Interestingly, none of the respondents sought input from trade unions or employee representatives (Table 6.2.2.4.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
6	66.7%	18.8%	Management
3	33.3%	9.4%	Employees
1	11.1%	3.1%	Stockholders
2	22.2%	6.3%	Customers
0	0.0%	0.0%	Unions/Empl. reps
1	11.1%	3.1%	General Public
0	0.0%	0.0%	Others
13			Total

(N.B.: Multiple answers from 9 replies concerning a stakeholder approach)

Table 6.2.2.4.: Stakeholder groups (Question II.5)

The formulation of the Mission Statement did not always follow formal procedures. Only 40.6% of respondents stated that the formulation of the Mission in their organisation was formal with 25% reporting it to be a rather informal process. On the frequency of Mission Statement formulations over one third of respondents (34.4%) reported that their Missions were formulated on a 'needs' basis. A very high percentage of "Don't know" answers (15.6%) could be observed under this question which raises potential doubts about these respondents' actual involvement in the formulation process (Table 6.2.2.5.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
1	3.1%	...annually
5	15.6%	...every 2yrs
1	3.1%	...every 3 yrs
1	3.1%	...every 5yrs
11	34.4%	...on a 'needs' basis
5	15.6%	Don't know
8	25.0%	No answer
32	100.0%	Total

Table 6.2.2.5.: Frequency of MS formulation (Question II.6b)

The final question in this section asked about the dominant person or groups within the organisation when it came to formulating the Mission Statement. Not surprisingly in 34.4% of case the "CEO" was mentioned as the driving force, with "*All functions participating equally*" following in second place with 31.3% (Table 6.2.2.6.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
11	34.4%	CEO
0	0.0%	Finance
1	3.1%	Marketing
0	0.0%	Operations
1	3.1%	HRM
10	31.3%	All functions equal
1	3.1%	Other
8	25.0%	No answer
32	100.0%	Total

Table 6.2.2.6.: Formulation of MS dominated by anyone (Question II.7)

In summary it could be said that the first, important component of an integrated model of SHRM and Corporate Strategy, the Mission Statement, is present in Scottish Financial Services organisations. However, involvement of HR Specialists in the formulation of the Mission is not yet self-evident. Neither is the approach to formulation that involves the scanning and polling of expectations of groups that have an active interest in the well-being and fair and just behaviour of the organisation. The formulation of Corporate Missions is most likely still a "green-table" affair where Executives gather and decide what is right for the future of their managers, employees, shareholders and the general public. There is certainly room for improvement here.

Full Tables and Graphs for Section II: Corporate Mission can be found in Appendix 12.

6.2.3. Analysis of Section III: The Organisation's External Environment

This section covered the five areas of environmental scanning necessary to understand the organisation's external environment prior to formulating both corporate and human resource strategies. The survey results for this section will be presented in the same order as in the questionnaire.

Economic Factors

In 43.8% of cases the HR function analysed economic factors (Table 6.2.3.1.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
14	43.8%	Yes
18	56.3%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.3.1.: Are Economic Factors analysed? (Question III.A1)

The most common areas of analysis were growth and interest rates at a national level, followed by Consumer Purchasing Power (CPP) and international growth rates (Table 6.2.3.2.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
13	92.9%	40.6%	Growth national
3	21.4%	9.4%	Growth international
9	64.3%	28.1%	Interest national
1	7.1%	3.1%	Interest international
4	28.6%	12.5%	Capital availability
5	35.7%	15.6%	CPP
3	21.4%	9.4%	RPI
1	7.1%	3.1%	Salaries
39			Total

(N.B.: Multiple answers from 14 companies analysing Economic Factors)

Table 6.2.3.2.: Which Economic Factors are analysed? (Question III.A2: multiple answers)

The majority of the 14 companies that analysed Economic Factors looked at them more or less regularly with five claiming to monitor them continuously.

Social Factors

Social Factors were analysed by 56.3% of companies in the survey (Table 6.2.3.3.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
18	56.3%	Yes
14	43.8%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.3.3.: Are Social Factors analysed? (Question III.B1)

The 18 HR departments in the survey that analysed Social Factors paid particular attention to social beliefs and changes in education and skills as well as work and lifestyle, probably in relation to recruitment and staffing issues (Table 6.2.3.4.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
9	50.0%	28.1%	Marriage & Children
13	72.2%	40.6%	Work & Lifestyle
12	66.7%	37.5%	Ethics & Gender roles
15	83.3%	46.9%	Education & Skills
0	0.0%	0.0%	Other
49			Total

(N.B.: Multiple answers from 18 companies analysing Social Factors)

Table 6.2.3.4.: Which Social Factors are analysed? (Question III.B2; multiple answers)

Here many respondents (31.3%) stated that they were following social trends on a rather irregular basis.

Political Factors

Of Financial Services providers in Scotland 43.8% monitored political factors influencing the company's external environment (Table 6.2.3.5.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
14	43.8%	Yes
18	56.3%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.3.5.: Are Political Factors analysed? (Question III.C1)

Changes in national government policy regarding employment and taxation were the most important factors monitored. The importance of European influences especially in the areas of employment legislation was recognised by 11 respondents (71.4% of companies that analysed Political Factors, 31.3.% of all) (Table 6.2.3.6.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
6	42.9%	18.8%	Nat. Govt.
6	42.9%	18.8%	Ind. co-operation
1	7.1%	3.1%	Antitrust
5	35.7%	15.6%	Deregulation
9	64.3%	28.1%	Taxation
11	78.6%	34.4%	Employment
2	14.3%	6.3%	Ecology
0	0.0%	0.0%	Other nat. policy
10	71.4%	31.3%	Europe policy
4	28.6%	12.5%	Internat. policy
0	0.0%	0.0%	Other
54			Total

(N.B.: Multiple answers from 14 companies analysing Political Factors)

Table 6.2.3.6.: Which Social Factors are analysed? (Question III.C2; multiple answers)

An exact 50/50 split between companies that monitored Political Factors regularly and on an irregular basis could be observed. Of those that monitored these factors regularly, six did so continuously.

Technological Factors

The importance of influences from Technological Factors appeared to be very clear to a majority of respondents with these factors being analysed by 62.5% of companies in the survey. Only 12 stated that they did not monitor technological developments in the HR function of their company (Table 6.2.3.7.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
20	62.5%	Yes
12	37.5%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.3.7.: Are Technological Factors analysed? (Question III.D1)

The most popular analysis in this area was the impact that New Technologies (NT) might have on the organisation. This was followed closely by the related areas of which NT were available and what the current state of the art was (Table 6.2.3.8.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
13	65.0%	40.6%	State of Art
14	70.0%	43.8%	NT available
16	80.0%	50.0%	Impact of NT
8	40.0%	25.0%	Impact Values
1	5.0%	3.1%	Other
52			Total

(N.B.: Multiple answers from 20 companies analysing Technological Factors)

Table 6.2.3.8.: Which Technological Factors are analysed? (Question III.D2; multiple answers)

Once again about half of respondents monitored the relevant factors regularly with the other half approaching this analysis on a needs basis.

Ecological Factors

Despite the increasing importance and emphasis on environmental issues in 1994 only four HR functions actively paid attention to ecological factors (Table 6.2.3.9.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
4	12.5%	Yes
27	84.4%	No
1	3.1%	No answer
32	100.0%	Total

Table 6.2.3.9.: Are Ecological Factors analysed? (Question III.E1)

All four companies (constituting 12.5% of all in the survey) were concerned with the strictness of enforcement of environmental legislation. Future environmental legislation only concerned two respondents, the same as potential threats of disasters to firm, customers, employees and facilities (Table 6.2.3.10.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
1	25.0%	3.1%	Current Issues
2	50.0%	6.3%	Future Legisl.
4	100.0%	12.5%	Strictness
2	50.0%	6.3%	Threats
0	0.0%	0.0%	Other
9			Total

(N.B.: Multiple answers from 4 companies analysing Ecological Factors)

Table 6.2.3.10.: Which Ecological Factors are analysed? (Question III.E2; multiple answers)

The frequency figures were split again exactly halfway between regularly and irregularly.

On a general note a slight uneasiness about the partial ignorance of the HR function within Scottish Financial Services could not be avoided. Although many firms did realise the importance of scanning the external environment for opportunities and threats, the majority of companies still did not.

A summary of all five factors included in this section shows that on average a non-analysis of environmental factors prevails (Table 6.2.3.11 and Figure 6.2.3.1.):

Opportunities/Threats arising from	Analysed	Not analysed
Economic Factors	43.8	56.3
Social Factors	56.3	43.8
Political Factors	43.8	56.3
Technological Factors	62.5	37.5
Ecological Factors	12.5	87.5
Average	43.8	56.3

Table 6.2.3.11.: Summary of Environmental Analyses

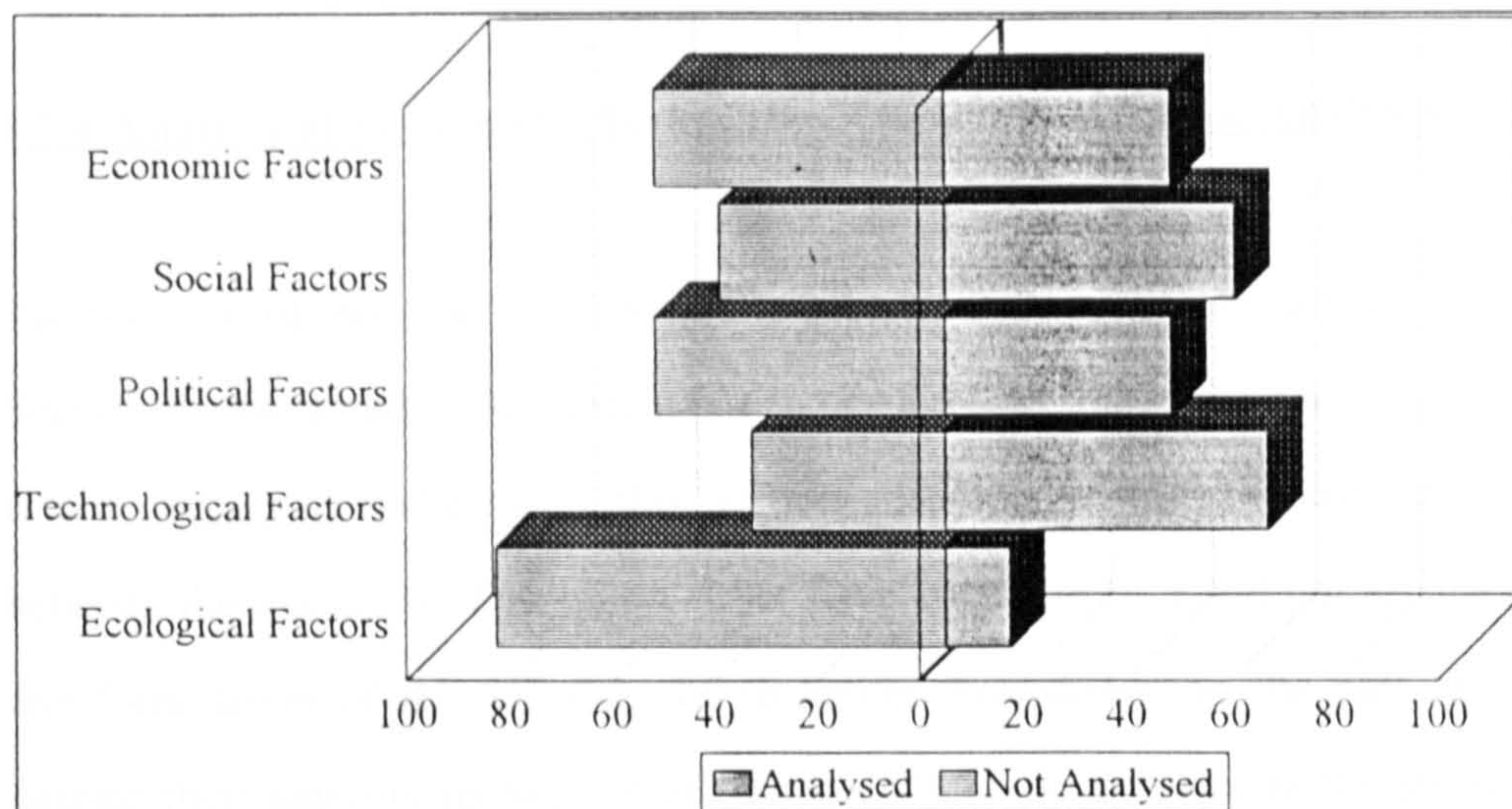


Figure 6.2.3.1.: Summary of Environmental Analyses

It seemed as if HR functions place more importance on Social and Technological Factors which have obvious impacts on the organisation's Human Resources, than on Economic, Political and Ecological Factors. Changes in lifestyle that may require new and innovative working arrangements, and potential retraining or redundancy issues arising from the introduction of NT, are but two examples under these headings. However, the importance of influences summarised under the other factors appeared to be somewhat underestimated, in particular so Ecological influences. For one Ecological factors do play a role in people's behavioural attitudes towards recycling and the more efficient use of natural resources, so they influence the overall image the firm wants to portray to attract these individuals. Moreover these factors may impact on customers' production processes, especially of those in manufacturing industries. Changes in ecologic regulation/legislation may impact immensely on customers' financial positions, requiring ever increasing investments in cleaner processes or clean-up costs. Therefore they have HR implications for the Financial Service provider. It may be that these "customers" appear to be too far removed from the HR function; or to express it in a better way, the HR function is too far removed from the "real" customers of the firm.

Full Tables and Graphs on Section III: The Organisation's external Environment can be found in Appendix 13.

6.2.4. Analysis of Section IV: Techniques Applied in External Analyses

The purpose of this brief section was to classify the approaches companies took under Section III. On a cautionary note it has to be said that some respondents showed slightly erratic answering patterns to this section resulting in some numerical discrepancies between the questions. This might either have been due to a still not satisfactory layout and formulation of the questions or to limited knowledge on the part of respondents despite their answers to Section III. Eventually some answers to the previous section might have been guesses.

Economic Factors

The first question of Section IV related to the origins of the data used for external analyses. For Economic Factors the answers showed the following picture (Figure 6.2.4.1.).

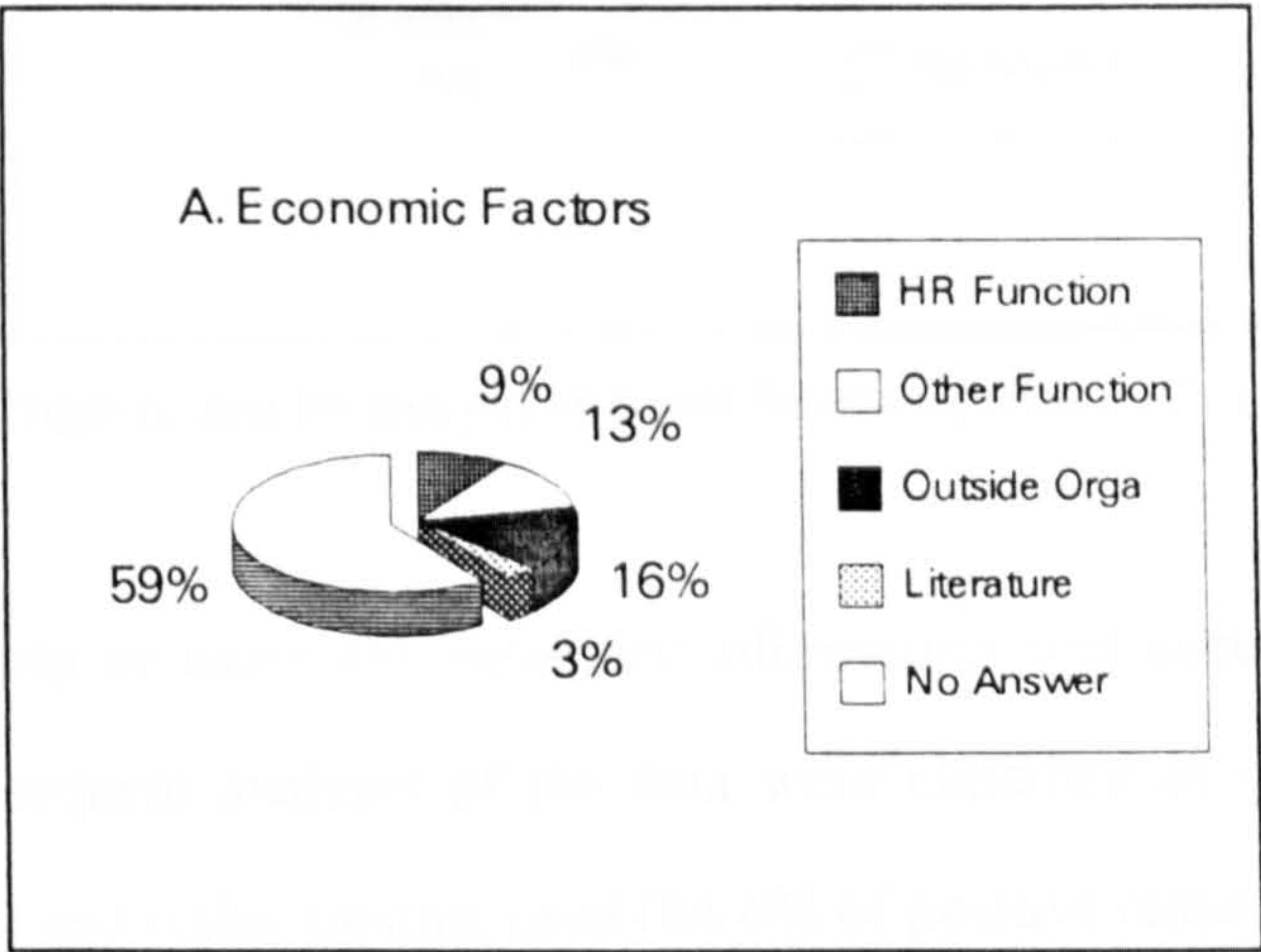


Figure 6.2.4.1.: Origin of data for analysis of Economic Factors (Question IV.1)

Since economic data are not normally collected and generated by HR functions the majority of companies that did analyse these factors received this information from other functions or from outside the organisation, which probably referred to official publications.

Normally economic data are predominantly quantitative and therefore the subsequent answers about the nature of the analyses showed a predominantly quantitative (84.6% of positive responses) and structured (80% of positive responses) approach by HR departments (11 and 8 answers respectively)¹⁸⁹. Furthermore the use of computers to prepare and process these data was most common for Economic Factors.

Social Factors

The origins of data used to analyse Social Factors showed a completely different picture (Figure 6.2.4.2.):

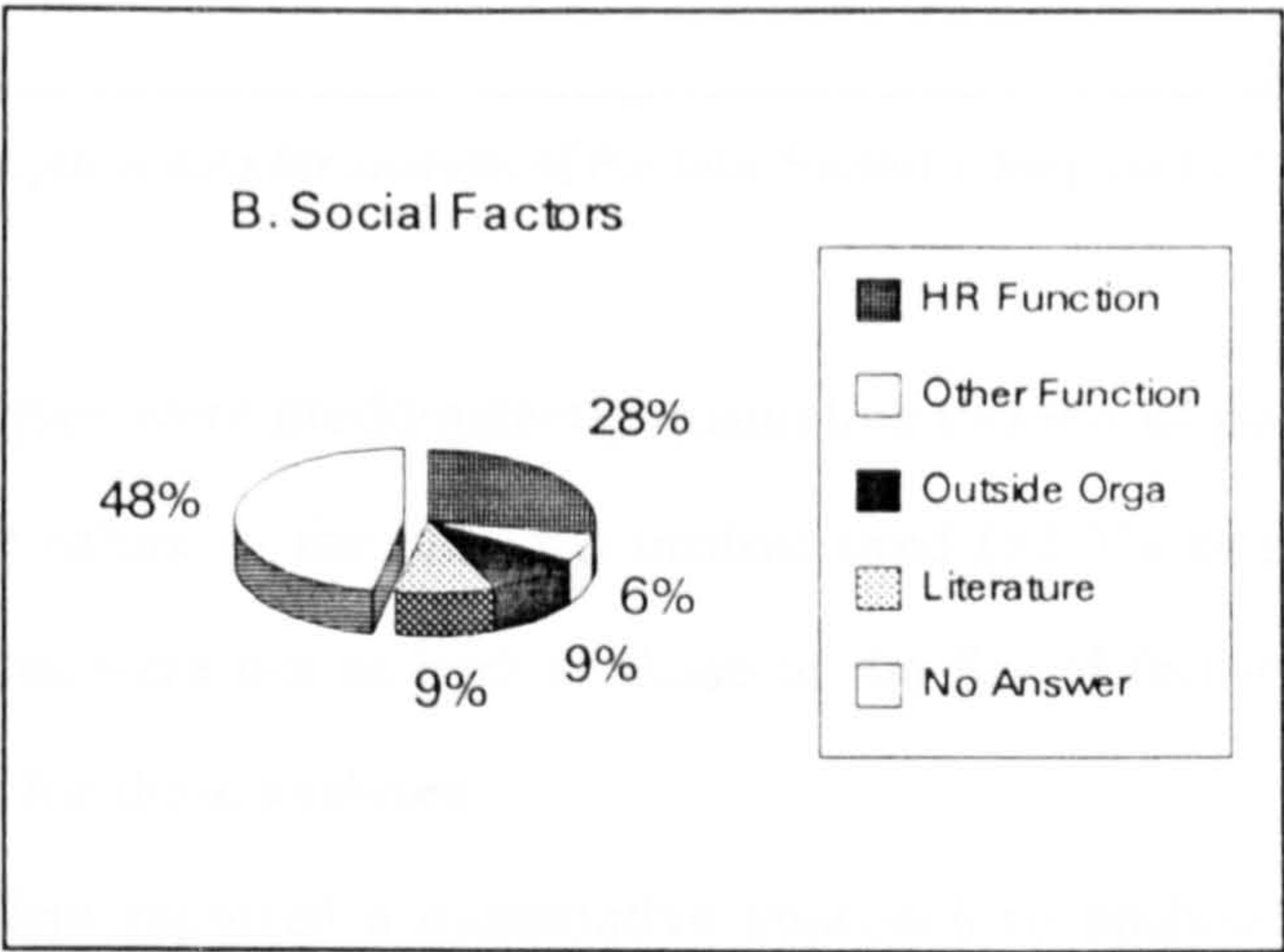


Figure 6.2.4.2.: Origin of data for analysis of Social Factors (Question IV.1)

Here in the majority of cases the necessary information was accumulated by the HR function. The subsequent analyses of the data were classified as qualitative (100% of positive responses) and rather unstructured (84.6% of positive responses) by the majority of respondents. Not surprisingly for this kind of data 80% of respondents stated that these analyses were carried out manually.

¹⁸⁹ A closer examination of the raw data reveals that the overall numbers to part A and part B of Question IV.2. do not match. These reflect the discrepancies mentioned earlier.

Political Factors

The origins of political factors showed a split between data coming from the HR function and from outside the organisation (Figure 6.2.4.3.):

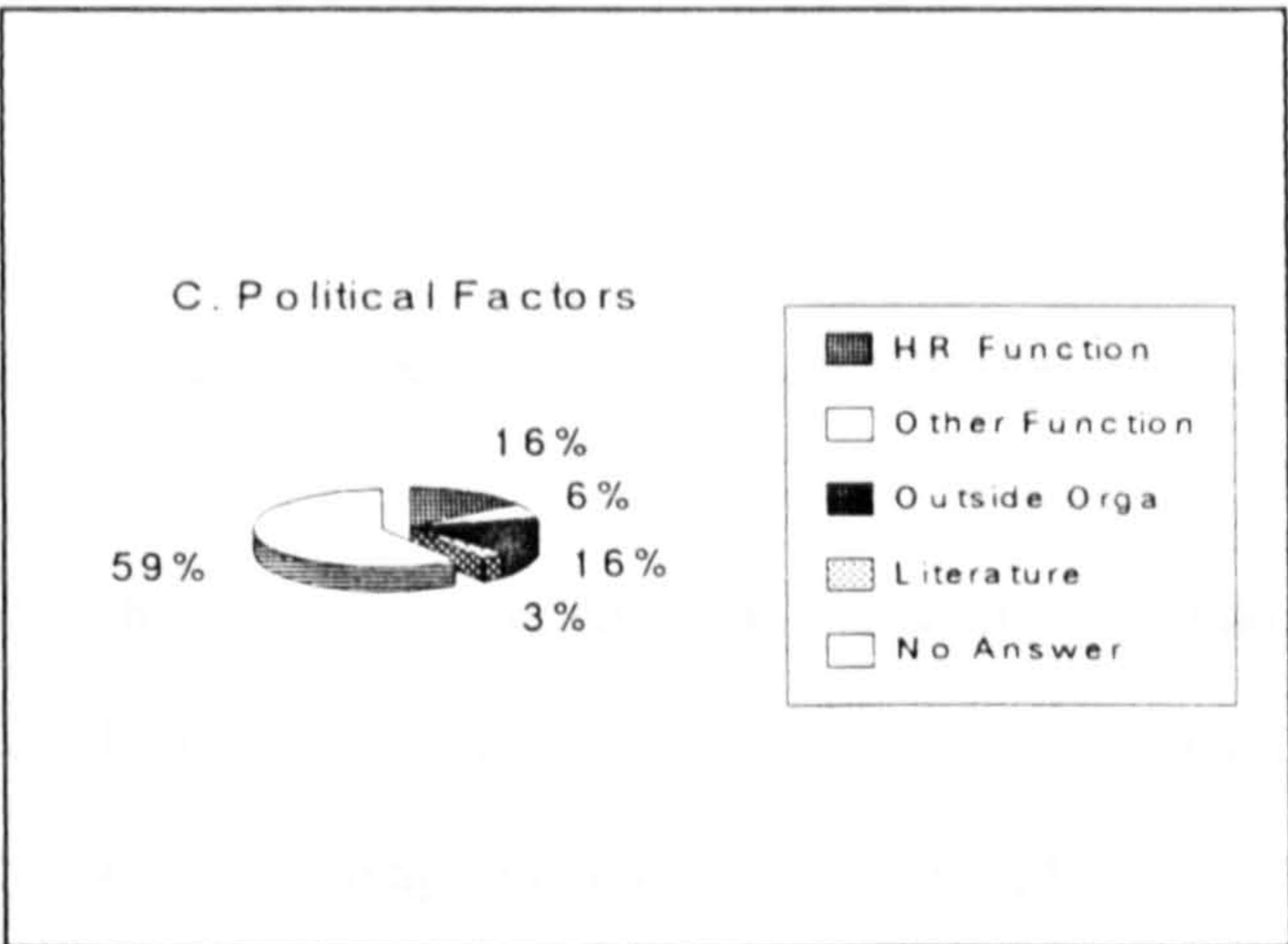


Figure 6.2.4.3.: Origin of data for analysis of Political Factors (Question IV.1)

Once again the analyses were predominantly qualitative (90.9% of positive responses) in accordance with the nature of the data and unstructured (62.5% of positive responses), although these figures were not as high as those of the Social factors. Computers were once again not used for these analyses.

(N.B.: One respondent reported a quantitative approach to analysing Political Factors and another using computer-support for these analyses.)

Technological Factors

Advice and information on Technological Factors came in 63.2% of positive responses from another function within the organisation (Figure 6.2.4.4.):

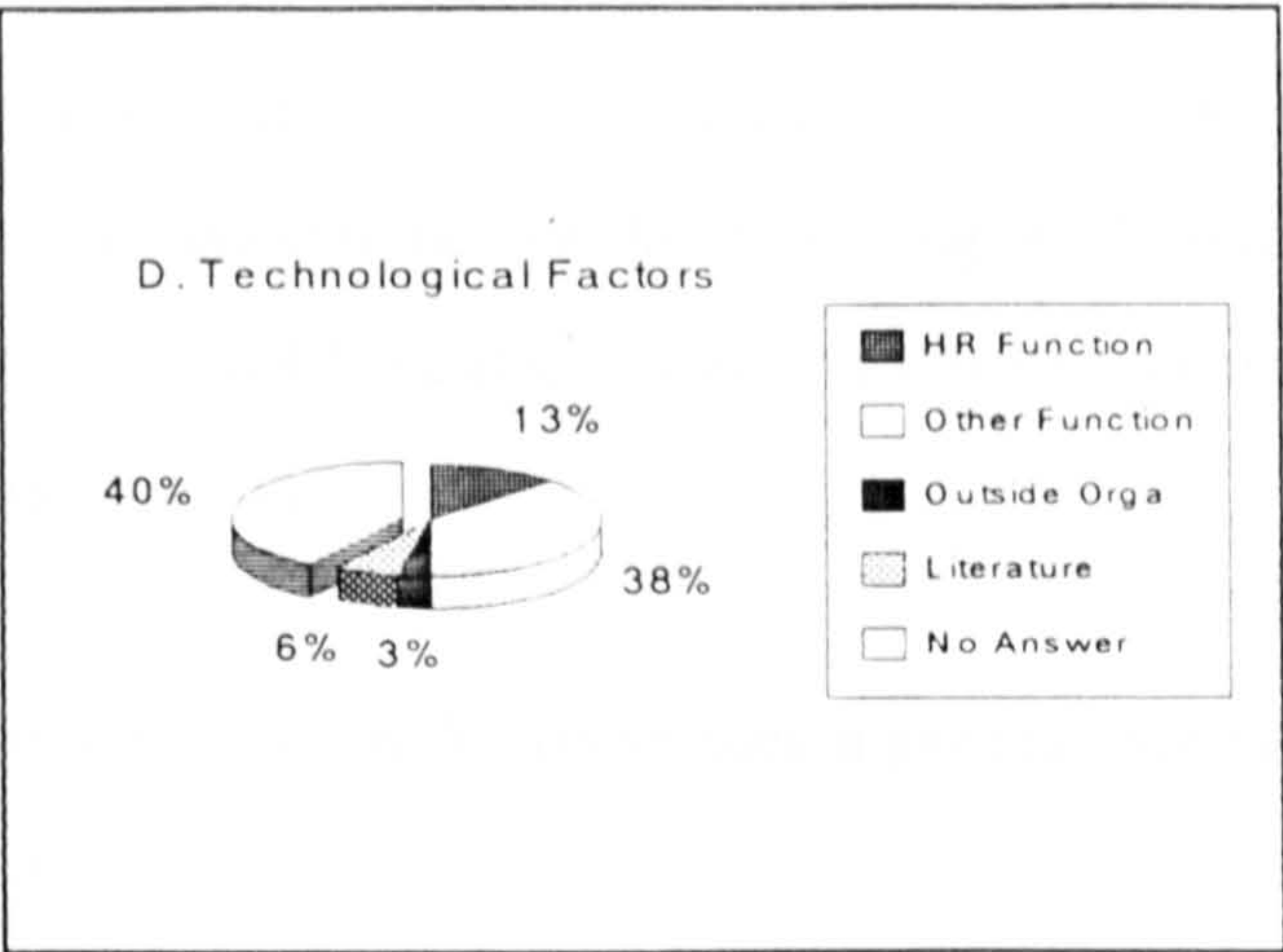


Figure 6.2.4.4.: Origin of data for analysis of Technological Factors (Question IV.1)

All 17 responses to this question stated that the approach taken was qualitative. However, a structured approach was only chosen in five cases compared to seven unstructured approaches. Five respondents did not complete the second part of the question. The majority of companies indicated that they analyse the impacts of NT with the help of computers. However, it was difficult for the researcher to see where computers could be used in these analyses.

Ecological Factors

Of the four respondents whose companies analysed Ecological Factors three analysed them qualitatively and unstructured but could not tell if computers were used or not. The answers on Ecological Factors did not merit a figure on their own, because of their low number.

The analysis of Section IV clearly suffered from erratic responses. Its aim was to determine whether or not companies adopted a structured approach to the analysis of environmental factors. Unfortunately this goal could only be partially achieved. However, the replies that could be used showed a predominantly qualitative and unstructured approach to the analyses of Social, Political and Technological Factors.

Only Economic Factors which obviously consisted of "hard" numeric data underwent a structured approach. It seemed to be that the structuring of all other factors for analysis was either not possible for HR Specialists, or not regarded as important enough to merit a structured and regular analysis.

Full Tables and Graphs on Section IV: Techniques applied in External Analyses can be found in Appendix 14.

6.2.5. Analysis of Section V: The Organisation's Industry Environment

Section V was still concerned with the organisation's external environment but drawing the circle closer on the industry in which the firm operated.

Of the companies in the survey, 46.9% operated on a national and nearly 35% on an international basis (Table 6.2.5.1.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
0	0.0%	Local
3	9.4%	Regional
15	46.9%	National
3	9.4%	Europe
11	34.4%	International
0	0.0%	Don't know
0	0.0%	No answer
32	100.0%	Total

Table 6.2.5.1.: Geographical markets of companies (Question V.1)

Although all respondents knew the geographical area of their respective markets they appeared to be somewhat less concerned about threats from new entrants into these markets. Only 28.1% of HR functions analysed the likelihood of new entrants and considered the implications thereof (Table 6.2.5.2.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
9	28.1%	Yes
22	68.8%	No
1	3.1%	No answer
32	100.0%	Total

Table 6.2.5.2.: Analyse likelihood of new entrants? (Question V.2)

The higher the barriers to new entrants the lower the likelihood of an intruder into the company's markets. The most often stated barrier to new entrants were "*Capital Requirements*" followed closely by "*Economies of Scale*" (Table 6.2.5.3.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
6	18.8%	Econ. of Scale
3	9.4%	Prod. differentiation.
7	21.9%	Capital required.
0	0.0%	Cost disadvantages.
4	12.5%	Access to distribution channels
2	6.3%	Government Policy
5	15.6%	Don't know
3	9.4%	No answer
2	6.3%	Other
32	100.0%	Total

Table 6.2.5.3.: Barriers to new entrants? (Question V.3)

After the above two questions on potential new entrants the following five were aimed at finding out about the awareness of HR functions of substitute products and activities of competitors. It was found that substitute products were in general not included in any monitoring activities of the HR function. Only two respondents stated that they did so, but 93.8% did not monitor the development of substitutes that could threaten their own company's products. However, this bleak figure improved when it came to monitoring competitors. Almost 60% of HR functions monitored at least some of their competitors' characteristics (Table 6.2.5.4.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
19	59.4%	Yes
13	40.6%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.5.4.: Does the HR function monitor competitors? (Question V.5)

An overwhelming 94.7% of those who monitored competitors paid attention to competitors' Human Resources with other criteria playing a rather subordinate role. (Table 6.2.5.5.)

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
3	15.8%	9.4%	Market Share
1	5.3%	3.1%	Product/Service Breadth
3	15.8%	9.4%	Price Competitiveness
3	15.8%	9.4%	Financial position
3	15.8%	9.4%	Experience
2	10.5%	6.3%	Technology
18	94.7%	56.3%	Human Resources
33			Total

(N.B.: Multiple answers from 19 companies which monitored competitors)

Table 6.2.5.5.: If YES, which factors do you pay attention to? (Question V.6, multiple answers)

However, this encouraging picture was slightly tainted by the fact that only 9.4% developed overall competitor profiles in the HR function which included competitors' strengths and weaknesses. The three respondents that did develop competitor profiles included various factors into these profiles.

The next part of Section V moved the focus on to the group that should determine all activities (including HR) of every company: customers. Question V.8a therefore asked respondents to rate supplier power within their industry. The answers of some respondents left the impression that they did not really realise the particular role of customers as both suppliers and buyers of financial services. Therefore the results of this question have to be taken with a pinch of salt (Table 6.2.5.6.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
4	12.5%	Very high
4	12.5%	High
12	37.5%	Moderate
1	3.1%	Low
1	3.1%	Very Low
10	31.3%	No answer/Don't know
32	100.0%	Total

Mean 2.6 Mode 3

Table 6.2.5.6.: Supplier Power (Question V.8a)

A different picture developed when respondents were asked about the power that buyers of financial products can exert. It seemed as if the increasing bargaining powers of buyers were recognised by respondents throughout all industries (Table 6.2.5.7.):

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
6	18.8%	Very high
10	31.3%	High
4	12.5%	Moderate
1	3.1%	Low
1	3.1%	Very Low
10	31.3%	No answer/Don't know
32	100.0%	Total

Mean 2.1 Mode 2

Table 6.2.5.7.: Buyer Power (Question V.8b)

The relatively high percentage of "*Don't know*" answers or no answers (31.3% each) to both questions was surprising. In fact nearly one third of respondents could not quantify whether supplier or buyer power was high or low. This might be another indication of a certain remoteness of the HR function from the core business.

The calculated numerical averages for supplier power was 2.6 (Mode=3) and buyer power 2.1 (Mode=2) (Means calculated under exclusion of no answers and "*Don't knows*", i.e. codes 0 and 6 respectively). Thus it can be said that respondents rated *supplier power as moderate* and *buyer power as high*.

Many (43.8%) respondents realised that buyer and supplier power influenced their company's recruitment activities; 40.6% mentioned that training and development and remuneration are influenced by buyers and suppliers (Table 6.2.5.8.):

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
13	40.6%	Train. & Dev.
14	43.8%	Recruitment
13	40.6%	Remuneration
5	15.6%	Job Design
4	12.5%	No impact
9	28.1%	Don't know
58		Total

Table 6.2.5.8.: Does buyer and supplier power influence any of these areas? (Question V.9)

Customer information and surveys as vehicles to collect information about a company's clientele are not only important for marketing or R&D departments but can also influence the work of the HR function. Question V.10a highlighted that HR departments had virtually no input into the design of these instruments (Table 6.2.5.9.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
3	9.4%	Yes
29	90.6%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.5.9.: Does the HR function have input into customer surveys? (Question V.10a)

However, just about half of HR functions in the survey at least had access to results of customer surveys with another 46.9% reporting access to general customer information (Table 6.2.5.10.).

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
15	46.9%	Customer info
11	34.4%	Customer profiles
16	50.0%	Survey results
10	31.3%	No access
52		Total

(N.B.: Multiple answers to options 1, 2 and 3 from a calculated 22 HR functions that have access to any customer information)

Table 6.2.5.10.: Does the HR function have access to the following? (Question V.10b, multiple answers)

Surprisingly, access to customer profiles which could hold information and socio-economic characteristics of a firm's clientele was only reported by roughly every third function (34.4%), despite the importance this information can have in the determination of, for example, qualitative staff characteristics. This was only carried out by 28.1% of respondents. Even the most basic analysis that could be derived from customer databases, a breakdown of customers by operating unit was only carried out by 6.3% of functions in the survey (Table 6.2.5.11.).

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
2	6.3%	Breakdown by Operating unit
8	25.0%	Determination of quant. staff levels
9	28.1%	Determination of qual. staff levels
0	0.0%	Customer change
6	18.8%	Don't know
1	3.1%	Other
26		Total

(N.B.: Multiple answers from a calculated 22 HR functions that have access to any customer information)

Table 6.2.5.11.: If you have access to customer information, do you use it for any of the following? (Question V.10c, multiple answers)

The final question of Section V enquired about the influence of customer information on particular HR initiatives. In 56.3% of companies this information influences training and development activities. However, the 10 (31.3%) of "Don't know" or "No impact" responses were interesting. In these cases it would seem that whatever the customer base was, HR initiatives were not influenced (Table 6.2.5.12.).

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
18	56.3%	Train. & Dev.
15	46.9%	Recruitment
10	31.3%	Job Design
10	31.3%	Remuneration
8	25.0%	Appraisal
6	18.8%	No impact
4	12.5%	Don't know
71		Total

(N.B.: Multiple answers from a calculated 22 HR functions that have access to any customer information)

Table 6.2.5.12.: Do the analyses of customer information influence any of the following? (Question V.10d, multiple answers)

Industry analysis was not one of the strongholds of HR functions in the survey. Potential threats from new entrants were only monitored by a minority; substitutes were hardly recognised. At least competitors, or to be more precise, competitors' Human Resources were watched by a majority, however not necessarily in a way that allowed HR Specialists to develop competitor profiles.

On the customer front it seemed that HR functions were still somehow removed from the core activities of the firm, giving the impression of themselves that they were a support function mainly concerned with the smooth administration of all things personnel rather than contributing to the bottom-line. It would be interesting to see an evaluation of supplier and buyer power by say a sales or marketing function in comparison to the classification delivered by HR Specialists in this survey.

Full Graphs and Tables on Section V: The Organisation's Industry Environment can be found in Appendix 15.

6.2.6. Analysis of Section VI: Human Resource Supply

Whether or not an analysis of the industry environment is an essential HR activity, the actions included in Section VI relating to the Human Resources in the firm's operating environment certainly are. It was therefore extremely surprising to see that the supply of Human Resources was only monitored by 17 of the 32 companies in the survey, representing a mere 53.1%! (Table 6.2.6.1.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
17	53.1%	Yes
15	46.9%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.6.1.: Do you monitor the supply of Human Resources? (Question VI.1)

These results were maybe the most shocking of the whole survey. It would seem that an answer to a company's best source of Human Resources was of prime interest to every HR function, whether big or small. But obviously this is not (yet) the case.

The relevant labour markets for senior, middle and junior management as well as clerical and technical staff did follow the patterns that could be expected. Senior management were mainly recruited from national or international labour markets, down to clerical staff from predominantly local labour pools (Table 6.2.6.2.).

	<i>International</i>	<i>National</i>	<i>Regional</i>	<i>Local</i>	<i>Don't know</i>	<i>Total</i>
	%	%	%	%	%	%
A. Senior Management	29.4	58.8	5.9	0.0	5.9	100.0
B. Middle Management	0.0	70.6	23.5	0.0	5.9	100.0
C. Junior Management	0.0	35.3	35.3	23.5	5.9	100.0
D. Clerical Staff	0.0	17.6	23.5	58.8	0.0	100.0
E. Technical Staff	0.0	47.1	47.1	5.9	0.0	100.0

Table 6.2.6.2.: Which are your organisation's labour markets for the following HR? (Question VI.2a)

The same observation was true for the level at which the markets for the respective staff groups were identified (Table 6.2.6.3.).

	<i>Corporate Level</i>	<i>Business Level</i>	<i>Operational Level</i>	<i>Don't know</i>	<i>Total</i>
	%	%	%	%	%
A. Senior Management	64.3	21.4	14.3	0.0	100.0
B. Middle Management	28.6	42.9	28.6	0.0	100.0
C. Junior Management	28.6	28.6	42.9	0.0	100.0
D. Clerical Staff	28.6	0.0	64.3	7.1	100.0
E. Technical Staff	28.6	7.1	57.1	7.1	100.0

Table 6.2.6.3.: At which level are the relevant labour markets identified? (Question VI.2b) (N.B.: Only 12 of the 17 respondents whose organisations analysed HR supply replied to this question)

Answering questions VI.2a and VI.2b could have been guesswork. Question VI.2c therefore asked respondents to briefly describe how the relevant markets were identified. Altogether the replies were disappointing. Only nine respondents were able to qualify the

answers given under 2a and 2b. Six of those used previous experience, five comparisons to determine the relevant markets. All in all this seemed to confirm the impression that the identification of labour markets was more guesswork than a planned and rational activity of HR Specialists.

Further evidence to support this suspicion came from answers to the next cluster of questions. Four respondents (12.5% of all) determined catchment areas, i.e. where employees do/did live after/before joining the company to identify groups of higher mobility or underrepresented areas. The same attitude could be observed from the following questions on the monitoring of demographic and educational supply side trends. Ten of the 17 companies that analysed HR supply did not monitor any demographic trends (Table 6.2.6.4.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
3	17.6%	9.4%	Pop. Size & Growth
4	23.5%	12.5%	Age group unempl.
2	11.8%	6.3%	Commuting Impact
3	17.6%	9.4%	Unemployment
10	58.8%	31.3%	None/Don't know
0	0.0%	0.0%	Other
22			Total

(N.B.: Multiple answers from 17 companies that did monitor HR Supply)

Table 6.2.6.4.: Which demographic supply side trends do you analyse? (Question VI.4, multiple answers)

The same bleak picture developed when looking at educational supply side trends with eight companies out of 17 not carrying out any analysis. At least graduation figures were considered by seven companies, i.e. one in every five of the whole sector (Table 6.2.6.5.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
3	17.6%	9.4%	5th/6th form students
2	11.8%	6.3%	Exam results
1	5.9%	3.1%	Leaver destinations
7	41.2%	21.9%	Grad. figures
8	47.1%	25.0%	None/Don't know
1	5.9%	3.1%	Other
22			Total

(N.B.: Multiple answers from 17 companies that did monitor HR Supply)

Table 6.2.6.5.: Which educational supply side trends do you analyse? (Question VI.5, multiple answers)

Other potential factors of future labour demand fared little better. The most often cited factor, was demand by other companies. However once again the majority (52.9% of group) of companies who claimed to monitor HR supply did not seem to be very concerned about these factors (Table 6.2.6.6.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
4	23.5%	12.5%	Company relocations
0	0.0%	0.0%	Empty offices
1	5.9%	3.1%	Planned offices
6	35.3%	18.8%	Demand by other companies
9	52.9%	28.1%	None/Don't know
0	0.0%	0.0%	Other
20			Total

(N.B.: Multiple answers from 17 companies that did monitor HR Supply)

Table 6.2.6.6.: Which of the following factors of future labour demand are monitored? (Question VI.6, multiple answers)

Most companies in the survey analysed demographic and educational trends once a year (28.1% each) with a yearly planning horizon. However, only ten (31.3% of all companies) replies on the frequency of demographic analysis and nine (28.1% of all) on educational trends could be counted (Table 6.2.6.7. and 6.2.6.8.).

Demographic Trends					
Frequency			Planning Horizon		
Count	Percent	Answer	Count	Percent	Answer
0	0.0%	Monthly	0	0.0%	One month
0	0.0%	2-monthly	0	0.0%	3 months
0	0.0%	Quarterly	0	0.0%	6 months
1	3.1%	Semi-ann.	4	12.5%	One year
9	28.1%	Annually	4	12.5%	Three years
1	3.1%	Never/Not anal.	1	3.1%	Never/Not anal.
21	65.6%	No answer	23	71.9%	No answer
32	100.0%	Total	32	100.0%	Total

Table 6.2.6.7.: Frequency and planning horizon of demographic trend analyses (Questions VI.7a1 and VI.7b1)

Educational Trends					
Frequency			Planning Horizon		
Count	Percent	Answer	Count	Percent	Answer
0	0.0%	Monthly	0	0.0%	One month
0	0.0%	2-monthly	0	0.0%	3 months
0	0.0%	Quarterly	0	0.0%	6 months
0	0.0%	Semi-ann.	6	18.8%	One year
9	28.1%	Annually	3	9.4%	Three years
1	3.1%	Never/Not anal.	1	3.1%	Never/Not anal.
22	68.8%	No answer	22	68.8%	No answer
32	100.0%	Total	32	100.0%	Total

Table 6.2.6.8.: Frequency and planning horizon of educational trend analyses (Questions VI.7a2 and VI.7b2)

The most popular forecasting methods amongst respondents were brainstorming (15.6% of all) and trend extrapolations (12.5% of all). Only four respondents (12.5% of all) supported these analyses with computers. This was surprising since in particular demographic data can easily be entered into computers for analysis, regressions and trend extrapolations.

The results from this section and their implication for the model of integration can only be described as disappointing. The aforementioned activities should be at the heart of every forward-looking and thinking HR function, regardless of the size or industry the firm operates in. The monitoring of the above variables is the "homework" of the HR Specialist who wants to contribute to business-success actively, as opposed to the seat-

of-the-pants ad hoc administration of short-term cures to personnel problems. It is frightening to imagine that almost half of all companies in the sector were not paying any attention to where and which Human Resources were available, and more importantly, will be available in the future.

Full Tables and Graphs on Section VI: Human Resource Supply can be found in Appendix 16.

6.2.7. Analysis of Section VII: Human Resource Inventory

Whereas the preceding section looked at the external influences that offer opportunities or pose threats to the supply of HR to the firm, Section VII covered the second part of "standard" personnel work: analysing the existing Human Resources of the firm to identify strengths and weaknesses. The reader will notice that with the changing nomenclature we have moved from the external environment to an internal analysis of the firm, once again with a special emphasis on the HR point of view.

The first step in analysing the existing HR inventory is a breakdown. Question VII.1 addressed this and showed a more promising picture than the filter question to Section VI (Table 6.2.7.1.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
26	81.3%	Yes
6	18.8%	No
0	0.0%	No answer
32	100.0%	Total

Table 6.2.7.1.: Do you break down your organisation's Human Resource inventory? (Question VII.1)

On a peripheral note: some respondents circled the term "*Human Resource inventory*" without further comments. Obviously a rational, analytical view of the workforce and a corresponding denomination was not appreciated by all HR Specialists.

A breakdown of the HR inventory was carried out by a clear majority of responding companies. Obviously the increasing penetration of computerised personnel information management systems (PIMS) aided this. The most common breakdown criterion was "*operating unit*" followed by "*grade*", whereas grades were obviously different from firm to firm (Table 6.2.7.2.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
22	84.6%	68.8%	By grade
25	96.2%	78.1%	By oper. unit
20	76.9%	62.5%	By location
16	61.5%	50.0%	By gender
17	65.4%	53.1%	By working hrs
13	50.0%	40.6%	By LOS
12	46.2%	37.5%	By age
11	42.3%	34.4%	By academic qual.
6	23.1%	18.8%	By experience
142			Total

(N.B.: Multiple answers from 26 companies that break down their HR inventory)

Table 6.2.7.2.: Breakdown criteria (Question VII.2, multiple responses)

Most of the above criteria were very simple to establish by taking information from personnel records and additional easily verifiable documents. Question VII.3 expanded on the above and tested the inclusion of more difficult to establish criteria in a breakdown analysis. Amongst these criteria were the potential of individuals to take on managerial responsibilities, to be promoted, the employee's motivation and morale and attitudes towards mobility. These criteria are obviously not readily available but require elaborate appraisal systems or psychometric tests to elicit the necessary information. Subtracting the "*No*" (10) and "*Don't Know*" (1) answers from the total of 26 companies that do breakdown their HR inventory the answering pattern of the remaining 15 companies was as follows (Table 6.2.7.3.):

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
5	33.3%	15.6%	Readiness move home
6	40.0%	18.8%	Motivation & Morale
11	73.3%	34.4%	Suit. for promotion
14	93.3%	43.8%	Mgmt. potent.
1		3.1%	Don't know
10		31.3%	No
47		Total	

(N.B.: Multiple answers to 1, 2, 3 and 4 from 15 companies that break down the HR inventory by more difficult to establish criteria)

Table 6.2.7.3.: Breakdown by more difficult to establish criteria (Question VII.3, multiple responses)

The use of employee records and the information held in databases was investigated by the next question. This question was to be answered by all companies in the survey and served as a precursor to questions VII.5 and VII.6. The answers did not show any surprises and were in line with responses to the preceding questions (Table 6.2.7.4.).

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
31	96.9%	Pay details
29	90.6%	Absence records
17	53.1%	Accident records
28	87.5%	Formal education
27	84.4%	Qualifications & skills
26	81.3%	Training records
5	15.6%	Readiness to move home
6	18.8%	Motivation & Morale
13	40.6%	Suit. for promotion
13	40.6%	Mgmt. potential
24	75.0%	Performance. appraisal
26	81.3%	Leave details
245	Total	

Table 6.2.7.4.: In addition to basic personal data which information do you include in employee records? (Question VII.4, multiple responses)

One obvious advantage of including as many as possible of the above criteria into employee records is the subsequent ability of HR Specialists to generate ratios from them as an instrument to evaluate initiatives or programmes as well as the HR function itself. The most common ratios generated in Scottish Financial Services HR departments were annual labour turnover figures and a calculation of training costs per head. Although most of the ratios had a cost/financial background they were not readily used in an industry that is dominated by accountants, bankers and actuaries (Table 6.2.7.5.).

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
9	28.1%	Profit/employee.
11	34.4%	T/O per employee.
1	3.1%	T/O per HR exp.
10	31.3%	Avg. HR exp.
18	56.3%	Ann lab. T/O
5	15.6%	Stability rates
13	40.6%	Absence Inc. Rates
6	18.8%	Accident. rates
13	40.6%	Absent. costs
9	28.1%	Support costs
13	40.6%	Overtime/basic pay
14	43.8%	Training cost/head
11	34.4%	Leave costs
10	31.3%	Recr. cost/head
4	12.5%	Don't know
4	12.5%	None
151		Total

Table 6.2.7.5.: Which ratios/indices are generated from the accumulated employee data? (Question VII.5, multiple responses)

When the respondents were asked if any of the above ratios were actually used to evaluate the HR function, the answers showed a completely different picture (Table 6.2.7.6.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
3	9.4%	Profit/employee.
3	9.4%	T/O per employee.
0	0.0%	T/O per HR exp.
4	12.5%	Avg. HR exp.
5	15.6%	Ann lab. T/O
2	6.3%	Stability rates
5	15.6%	Absence Inc. Rates
0	0.0%	Accident. rates
2	6.3%	Absent. costs
2	6.3%	Support costs
3	9.4%	Overtime/basic pay
4	12.5%	Training cost/head
3	9.4%	Leave costs
4	12.5%	Recr. cost/head
1	3.1%	Don't know
22	68.8%	No
63		Total

Table 6.2.7.6.: Are any of the above ratios used to evaluate the HR function? (Question VII.6, multiple responses)

It was obviously not common to actually measure the performance of the HR function by these hard, financial measures. Once more this could be taken as an indicator that the function is treated differently from for example marketing, sales or back office functions which are more readily monitored on their financial performance.

Finally, the use of computer equipment in HR departments was tested. In 1994 one would expect a very high degree of computerisation especially in Financial Service, but this was not really the case with only 62.5% of respondents holding employee information on computerised databases. An apparent link between size of the establishment and the use of computers was found (Table 6.2.7.7.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
12	37.5%	Records and ratios computerised
8	25.0%	Records computerised, ratios manual
3	9.4%	Records manual, ratios computerised
7	21.9%	Records and ratios manual
2	6.3%	No answer
32	100.0%	Total

Table 6.2.7.7.: How are employee records kept and ratios generated? (Question VII.7)

The analysis of the internal environment from a HR perspective left a more positive impression than the external one. However, two findings were surprising. Firstly, the use of computers is still not commonplace in all companies and depends on the size of the company. Obviously allowances have to be made for smaller companies (the smallest in the survey employing 40 people), but this should not be seen as an excuse. Sophisticated databases run on most personal computers that are used for word-processing and have become very user-friendly. Secondly, HR functions did not appear to be evaluated by ratios and/or financial criteria to the same extent that might be found in other areas of the business. But are HR functions evaluated at all? Section VIII will examine this question.

Full Tables and Graphs on Section VII: Human Resource Inventory can be found in Appendix 17.

6.2.8. Analysis of Section VIII: Analysing the HRM Function and the Organisation

Analysing the effectiveness and efficiency of the HRM function was obviously not done by financial ratios. Is it done at all? In the survey 46.9% of companies answered "Yes" when asked about the existence of a formal evaluation of the HR function (Table 6.2.8.1.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
15	46.9%	Yes
13	40.6%	No
2	6.3%	Don't know
2	6.3%	No HR function
0	0.0%	No answer
32	100.0%	Total

Table 6.2.8.1.: Is there a formal evaluation of the HR function in your organisation? (Question VIII.1)

Amongst those whose functions were formally assessed financial performance against the HR budget was popular (73.3%) but not the most common form of evaluation. Instead, the achievement of targets and milestones took the lead amongst a list of commonly used criteria for evaluation (Table 6.2.8.2.)

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
6	40.0%	18.8%	Ratio HR/pop.
3	20.0%	9.4%	HR cost/employee
4	26.7%	12.5%	No. vac. filled
5	33.3%	15.6%	No. Train programmes held
11	73.3%	34.4%	HR Budget
6	40.0%	18.8%	AAA
12	80.0%	37.5%	Target achieve
0	0.0%	0.0%	Other
47			Total

(N.B.: Multiple answers from 15 companies that have a formal evaluation of the HR function)

Table 6.2.8.2.: If YES, which of the following criteria are used to evaluate the HR function? (Question VIII.2)

An evaluation of the HR function usually took place semiannually (18.8% of all/40.0% of those who have an evaluation) or annually (15.6%/33.3%).

The following question was designed for those organisations that applied a more "customer-focused" approach to evaluating the HR function. This so-called "marketing approach" includes the evaluation of HR services by their internal customers, i.e. other departments/functions in terms of customer satisfaction etc.. Interestingly, eleven of the 15 companies that had their function evaluated stated that they are evaluated on competence of the HR personnel and on general customer satisfaction (Table 6.2.8.3.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
8	53.3%	25.0%	Quickness
5	33.3%	15.6%	Proactivity & Innovativeness
10	66.7%	31.3%	Friendliness of HR staff
11	73.3%	34.4%	Competence of HR staff
11	73.3%	34.4%	Customer satisfaction
0	0.0%	0.0%	Don't know
2	13.3%	6.3%	No
1	6.7%	3.1%	Other
48			Total

(N.B.: Answers from 15 companies that evaluate their HR function)

Table 6.2.8.3.: Does your organisation have a 'marketing approach' to evaluating the HR function? (Question VIII.4)

The importance of a critical evaluation of the function as well as the analysis of areas of general organisation cannot be emphasised strongly enough. It was encouraging to see that nearly half of all functions in the survey were evaluated and even better about one third applied a "marketing approach" towards this evaluation. HR Specialists will only be able to leave their strategic mark if they can prove that they have a contribution to make towards improved business performance.

Question VIII.5 aimed in the same direction asking if any areas of general organisation were analysed. The importance of the organisation's image and prestige in attracting and retaining capable staff as well as internal communication channels and organisational

structures contribute very much towards a strategic orientation of the HR function (Table 6.2.8.4.)

<i>Count</i>	<i>% of all</i>	<i>Answer</i>
12	37.5%	Image & Prestige
7	21.9%	Orga structure
15	46.9%	Comm. channels
5	15.6%	Don't know
8	25.0%	No
47		Total

(N.B.: Multiple answers to 1, 2 and 3 from 19 companies)

Table 6.2.8.4.: Do you analyse any of the following areas of general organisation? (Question VIII.5)

A calculated 19 HR functions [32 less "*Don't know*" (5) less "*No*" (8)] looked at the above factors, with nearly 47% stating that they analysed communication channels.

In general it appeared that the rather bleak picture on the evaluation of the function obtained from Section VII was not really so bad, with a substantial number of organisations evaluating their HR activities on other criteria. It could be said that it has been realised that a purely financial evaluation is not the be-all and end-all when it comes to HR issues, which in turn should give HR Specialists the room to act strategically although HR initiatives may take a fairly long time to impact on business results.

Full Graphs and Tables on Section VIII: Analysing the HRM function and the organisation can be found in Appendix 18.

6.2.9. Analysis of Section IX: Company Profiles

All analyses and data collected from the internal environment might be interesting on their own, but they are really parts of a jigsaw that constitutes a company profile. The

three questions in this short section tested whether the accumulated information contributed to an overall picture of the firm and whether the various elements were pulled together to build a bigger picture. Unfortunately only 34.4% of respondents reported that they contributed their findings to a company profile or created one of their own (Table 6.2.9.1.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
11	34.4%	Yes
14	43.8%	No
6	18.8%	Don't know
1	3.1%	No answer
32	100.0%	Total

Table 6.2.9.1.: Does the HR function create or contribute to a Company Profile? (Question IX.1)

Of those 11 that did create or contribute to a company profile, seven (63.6% of group) compared it to competitors and five (45.5% of group) to their respective industry at a national level. A comparison to stages of product market evolution was only carried out by three (27.3% of group) HR functions in the survey (Table 6.2.9.2.).

<i>Count</i>	<i>Percent</i>	<i>% of all</i>	<i>Answer</i>
7	63.6%	21.9%	Competitors
4	36.4%	12.5%	Ind. reg.
5	45.5%	15.6%	Ind. nat.
2	18.2%	6.3%	Ind. intern.
3	27.3%	9.4%	Prod./ market evolution
2	18.2%	6.3%	No comparisons
0	0.0%	0.0%	Other
23			Total

(N.B.: Answers from 11 companies that create or contribute to a Company Profile)

Table 6.2.9.2.: If YES, what do you compare the Company Profile to? (Question IX.2)

Although only 11 HR functions contributed to or created a company profile, a calculated total of 20 functions [32 less "No answer" (12)] did pull the available information together in one form or another (Table 6.2.9.3.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
11	33.3%	Produce report
3	9.1%	Combine internal & external analyses
3	9.1%	Construct matrix of external influences
3	9.1%	Summary
0	0.0%	Do nothing
1	3.0%	Use other tools
12	36.4%	No answer
33	100.0%	Total

(N.B. Calculated YES= 20 companies do something prior to making strategic decisions)

Table 6.2.9.3.: Prior to formulating strategic courses of action, do you? (Question IX.3)

The results from this section were encouraging in a sense that there seemed to be some activity of pulling the available information together and in some cases even comparing it at least with competitors. However, due to the rather weak performance of the sample when it came to collecting external information (Sections III to VI) the production of reports or construction of matrices of influences on the organisation was most likely to be limited to internal forces, i.e. strengths and weaknesses which can only be seen as such if the relevant opportunities and threats are known as well.

Full Tables and Graphs on Section IX: Company Profiles can be found in Appendix 19.

6.2.10. Analysis of Section X: Formulating Business and Human Resource Strategies

This section takes a closer look at the actual existence of Corporate and Human Resource strategies and the roles HR Specialists played in their formulation. The survey found that 84.4% of Scottish Financial Services providers had a corporate strategy, a business strategy or a strategic plan (Table 6.2.10.1).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
27	84.4%	Yes, written down
3	9.4%	Yes, unwritten
0	0.0%	No
2	6.3%	Don't know
0	0.0%	No answer
32	100.0%	Total

Table 6.2.10.1.: Does your organisation have a corporate strategy, a business strategy or a strategic plan? (Question X.1a)

This compares favourably with the findings of the Price Waterhouse/Cranfield study of 1991 where approximately 6 out of 10 organisations were found to have a written corporate strategy¹⁹⁰.

The planning horizons of these strategies was in 56.3% of cases five years with a calculated average of just over four years (excluding no answers and others) (Table 6.2.10.2.)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
4	12.5%	One year
2	6.3%	Two years
3	9.4%	Three years
18	56.3%	Five years
1	3.1%	Ten years
1	3.1%	Other
3	9.4%	No answer
32	100.0%	Total

Table 6.2.10.2.: How long is the planning horizon of the corporate strategy? (Question X.1b)

Although a clear majority of companies did have corporate strategies the involvement of HR Specialists is limited. As few as 28.1% of respondents claimed to participate in the formulation process, with 25% of respondents having been involved in preparations for their head of department (Table 6.2.10.3.).

¹⁹⁰ The Price Waterhouse Cranfield Project on International Strategic Human Resource Management, Report 1991, p. 6.

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
0	0.0%	Leader/ Chair
9	28.1%	Participant
4	12.5%	Advisor
8	25.0%	Preparations for HOD
4	12.5%	Preparations
6	18.8%	Not involved
1	3.1%	No answer
32	100.0%	Total

Table 6.2.10.3.: What is your role in formulating corporate strategy? (Question X.2a)

These figures evidently have to be seen in relation to the individual respondent's role in their respective department (Table 6.2.10.4)

Respondent's role in department	Leader/ Chair	Participant	Advisor	Prepara- tions for HOD	Prepara- tions	Not involved	No answer
Director		4	1		1		
HOD		4	1	1	1	1	
Section Head			1				
Manager				6		3	
Training Mgr		1		1	1		
Recruitment Mgr					1		
Officer/Specialist			1			2	1

Table 6.2.10.4.: Role in formulating corporate strategy by respondent category

Quite clearly the top echelons of the HR functions appeared to be more involved in the formulation of corporate strategies than middle managers, whereas most of them are involved in preparations of some kind.

Of the six cases where the HR function was not involved in the formulation three respondents stated that HR issues were represented by the company's CEO; only one response indicated that HR issues were not represented at all.

As a consequence to the answers above the influence of the HR function on strategic decision making was seen as "*moderate*" (Table 6.2.10.5) although it had been increasing over the last three years (6.2.10.6).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
2	6.3%	Very high=1
7	21.9%	High=2
15	46.9%	Moderate=3
5	15.6%	Low=4
1	3.1%	Very low=5
2	6.3%	No answer
32	100.0%	Total
Mean: 2.9		Mode: 3

Table 6.2.10.5.: How would you rate the HR function's influence on strategic decision making? (Question X.3a)

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
3	9.4%	Greatly increased=1
15	46.9%	Increased=2
11	34.4%	Not changed=3
1	3.1%	Decreased=4
0	0.0%	Greatly decreased=5
2	6.3%	No answer=0
32	100.0%	Total
Mean: 2.3		Mode: 2

Table 6.2.10.6.: Has this influence changed in the last three years? Has it... (Question X.3b)

The increasing influence of the HR function in the development of strategic plans is certainly welcomed by strategic HR Specialists. Although the HR function might not yet be up to full speed on the necessary analyses, their importance seemed to be more and more often recognised. The need for elaborate and carefully constructed and executed analyses as a precursor to strategic decision making was reinforced by the answers to the following question. Here respondents were asked whether the process of making strategic decisions was seen to be a rather political process; inclined to fall into the category of formation; or a rather rational process; thus more following the notion of strategy formulation as proposed in the model in Chapter 3. Exactly half of respondents stated that the process was balanced, but a further 37.5% described it as rational or even highly rational (Table 6.2.10.7).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
0	0.0%	Highly political =1
1	3.1%	Political =2
16	50.0%	Balanced =3
9	28.1%	Rational =4
3	9.4%	Highly rational =5
3	9.4%	No answer=0
32	100.0%	Total

Mean: 3.5

Table 6.2.10.7.: Would you describe the strategic decision making process as political or rational process? (Question X.4)

The next stage in the analysis of integration was to examine to what extent Human Resource Strategies as a tool to integrate the various HR policies were present and how they linked to the organisation's corporate strategy. Whereas Brewster and Holt¹⁹¹ reported that 45% of the organisations examined in their survey had a written and 27% an unwritten HR strategy, the figures for the Scottish Financial Services sector were significantly different (Table 6.2.10.8.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
17	53.1%	Yes, written down
6	18.8%	Yes, unwritten
6	18.8%	No
3	9.4%	Don't know
0	0.0%	No answer
32	100.0%	Total

Table 6.2.10.8.: Does your organisation have a Human Resource strategy? (Question X.5a)

The percentage found to have a HR strategy in written form was significantly higher and the respective figure for unwritten strategies had decreased since Brewster and Holt's findings in 1991. This certainly seemed to reflect a positive trend.

¹⁹¹ Brewster and Holt, 1992, p. 418.

<i>Size of organisation</i>	<i>HR Strategy written</i>	<i>HR Strategy unwritten</i>	<i>No HR Strategy</i>	<i>Don't know</i>
under 50 empl.		1	1	
50-99 empl.		1	1	
100-499 empl.	6	1	3	
500-999 empl.	2			1
1000-4999 empl.	5	3	1	
over 5000 empl.	4			2

Table 6.2.10.9.: Human Resource strategy in relation to company size

Still it was more likely for the larger organisations than the smaller ones in the survey to commit a HR strategy to writing (Table 6.2.10.9.).

The most likely aspects to be included in the HR strategy of respondents are depicted in Figure 6.2.10.1.

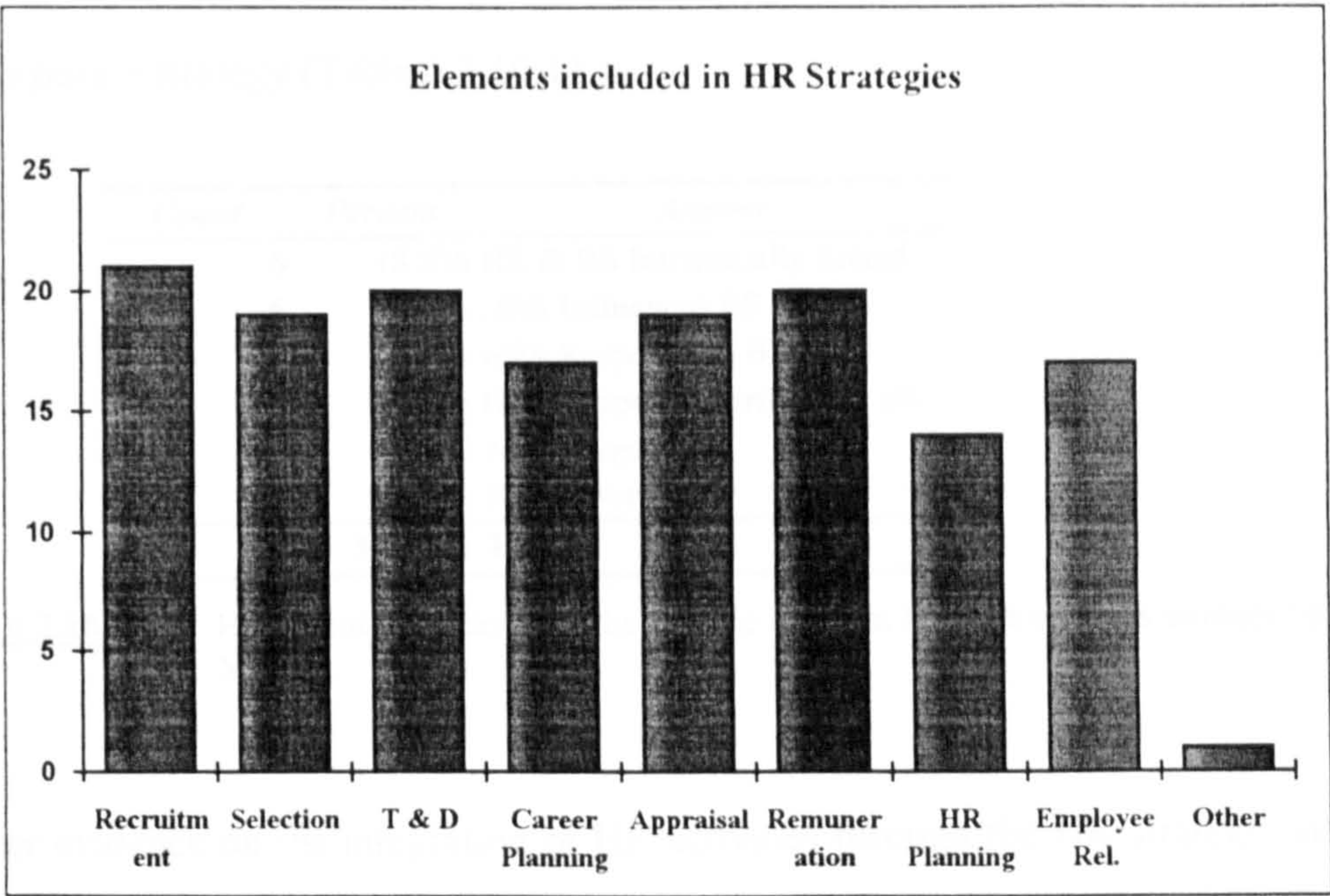


Figure 6.2.10.1.: Which elements of HRM are incorporated in the HR strategy? (Question X.7)

If the HR strategy is supposed to be an integral or pivotal part of the corporate strategy then their planning horizons or the timescales covered should be identical, too. The planning horizon of 21.9% of respondents' HR strategies was indeed identical with the bulk of answers to question X.1b, but an equal proportion of companies operated HR strategies on a year to year basis (Table 6.2.10.10.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
7	21.9%	One year
3	9.4%	Two years
3	9.4%	Three years
7	21.9%	Five years
0	0.0%	Ten years
0	0.0%	Other
12	37.5%	No answer
32	100.0%	Total

Table 6.2.10.10.: Human Resource strategy planning horizons (Question X.5b)

Further evidence to support the suspicion that despite the existence of HR strategies there seemed to be no pivotal integration came from the answers to Question X.5c. Once again in 21.9% of cases the HR strategy responded to the organisation's business strategy, with only 18.8% of respondents claiming to have an intrinsic link between HR and corporate strategy (Table 6.2.10.11.).

<i>Count</i>	<i>Percent</i>	<i>Answer</i>
6	18.8%	HR & BS Intrinsically linked
6	18.8%	HRS Influences BS
7	21.9%	HRS Responds to BS
4	12.5%	HRS Responds partially to BS
0	0.0%	No linkage
9	28.1%	No answer
32	100.0%	Total

Table 6.2.10.11.: How would you describe the linkage between HR and business strategy? (Question X.5c)

Further evidence on the integration of HR activities through the HR strategy within the overall business framework could be collected from the answers on the role of the HR department. Question X.8 provided four distinctive descriptions of the role the function had within the organisations and respondents were asked if they could recognise their individual department within the options. The options ranged from a purely administrative function (Code: "*Administrators*") over "*Personnel Managers*" and "*HR Managers*" to "*Strategic HR Managers*"¹⁹². The answers showed the following pattern (Table 6.2.10.12.):

¹⁹² The options provided in the questionnaire were as follows:

Count	Percent	Answer
6	18.8%	Administrators
10	31.3%	Personnel Managers
10	31.3%	HR Managers
5	15.6%	Strategic HR Managers
1	3.1%	Other
0	0.0%	No answer
32	100.0%	Total

Table 6.2.10.12: How would you describe the HR function within your organisation? (Question X.8)

This seemed to confirm the impression gained from the answers to Question X.5c, with half of all companies (50.1%) being rather "*Adminstrators*" or "*Personnel Managers*".

Once more the size of the organisation seemed to have a distinctive influence on the role the HR function played (or was allowed to play) in the organisation (Table 6.2.10.13).

Size of organisation	Adminis-trators	Personnel Managers	HR Managers	Strategic HR Managers
under 50 empl.	1	1		
50-99 empl.	1	1		
100-499 empl.	1	2	4	2
500-999 empl.	1	1	1	
1000-4999 empl.	2	3	2	2
over 5000 empl.		2	3	1

Table 6.2.10.13.: HR function's role by size of organisation

- Administrators:

The HR function is concerned with the efficient administration of employee records, the preparation of statistics and the minimising of employee relations conflicts, grievances and disputes.
- Personnel Managers:

The HR function is concerned with providing effective recruitment and selection, training and development, employee relations and remuneration strategies. It is staffed by specialists with high expertise in these areas.
- HR Managers:

The HR function emphasises the value of the individual in the organisation and has policies and practices which ensure that individual talent is developed and maximised. Communication, consultation and involvement are emphasised. It is well integrated into the business and valued by the line manager.
- Strategic HR Managers:

The HR function is closely integrated with the business needs of the organisation and people are seen as a valuable resource. A range of sophisticated systems, including HR planning operate and are linked to strategic planning. The function is staffed by specialists and generalists providing services and advice to its customers.

It was encouraging to find at least a large proportion of respondents seeing themselves as being valued by line managers and being committed to the development of individual talent. However, it is questionable if this maximising of individual potential is always done in a systematic way and clearly related to the long term benefits and goals of the company and employee, due to a rather weak performance of the function when it comes to forecasting what is actually going to happen to the organisation and the people employed within.

Full Tables and Graphs on Section X: Formulating Business- and Human Resource Strategies can be found in Appendix 20.

Part B Further Analysis**Introduction**

In Part A of Chapter 6 the survey results were presented and tabulated to produce a current picture of the state of integration of Corporate and Human Resource Strategies in Scottish Financial Services. Part B will now set out to make comparisons between those organisations which have HR Board-level representation or not and those which have under 1000 and more than 1000 employees. The rationale behind these tests is to explore whether the above made any differences in the answers given in the questionnaire and indeed these organisations' orientation towards the integration of Corporate and HR Strategies. To this end several statistical tests were applied. These tests are briefly outlined below.

6.3. Methods and Statistical Tests for Further Analyses

The non-parametric test used for these analyses was the χ^2 (chi-squared) test to investigate similarities between certain groups of the whole sample. The analytical procedure and test was outlined under 5.2.6.2..

6.3.1. HR involvement as a function of representation at board level

A chi-squared test was applied to the key questions on the existence of Corporate and HR Strategies in respondents' organisations. The reasoning behind this analysis was to find out if there existed a difference in the answering patterns to certain criteria between those organisations that had a HR executive at board level and those who had not. If this kind of representation is a "proxy" to integration then companies with representation should show a statistically significant difference in their answering patterns. Of the 32

responding organisations 30 had a HR or Personnel function and of these 30 an exact 50% had and had not HR Board representation.

Due to the nature of χ^2 tests the above was formulated as followed and a null hypothesis was χ^2 tested:

- H₀:** Companies with HR board level representation will answer the key questions below in the same way as companies without HR board level representation.
- H₁:** Companies with HR board level representation will answer the key questions below in a different way than companies without HR board level representation.

Test interpretation:

The H₀ has to be rejected when χ^2 value > χ^2 critical, otherwise it cannot be rejected.

To calculate the χ^2 tests contingency tables were created on the following key questions:

- I.2a *What is the title of the department dealing with HR issues?*
- II.1 *Does your organisation have a Mission Statement?*
- II.3 *What role did the HR function play in the formulation of the Mission Statement?*
- III.A1 *Does the HR function analyse Economic Factors in your organisation's external environment?*
- III.B1 *Does the HR function analyse Social Factors in your organisation's external environment?*

- III.C1 *Does the HR function analyse Political Factors in your organisation's external environment?*
- III.D1 *Does the HR function analyse Technological Factors in your organisation's external environment?*
- III.E1 *Does the HR function analyse Ecological Factors in your organisation's external environment?*
- V.2 *Does the HR function analyse the likelihood of new entrants into your markets and the possible impacts on your organisation's Human Resources?*
- V.4 *Does the HR function monitor the development of substitutes to your company's products and services?*
- V.5. *Does the HR function monitor competitors in your industry?*
- VI.1 *Do you monitor and analyse the supply of Human Resources from international/national/regional/local labour markets?*
- VII.1 *Do you break down your organisation's Human Resource inventory?*
- VIII.1 *Is there a formal evaluation of the HRM function in your organisation?*
- IX.1 *Does the HR function create or contribute to a Company Profile for your organisation which analyses different key success factors?*
- X.1a *Does your organisation have a corporate strategy, a business strategy or a strategic plan? Is it written down?*
- X.2a *What is your role in the actual process of formulating grand- and business strategies?*
- X.3a *How would you rate the HR function's influence on the strategic decision-making process at the grand- or business strategy level?*
- X.5a *Does your organisation have a Human Resource strategy, i.e. an overall strategy which integrates the organisation's various HR policies? Is it written down?*
- X.5c *How would you describe the linkage between the HR strategy and the business strategy in your organisation?*
- X.6 *What is your role in formulating HR strategies?*
- X.8 *How would you describe the role of the HR function in your organisation?*

6.3.1.1. Chi-squared results for HR Board-level representation

The chi-squared was carried out and critical values derived at a significance level of $1-\alpha = 0.90$:

	HOD Member of Board?			
	Chi-squared	df	chi-crit	sig/insig
I2a	4.629	3	6.25	Insignificant
II1	2.967	2	4.61	Insignificant
II3	3.355	3	6.25	Insignificant
IIIA1	0.536	1	2.71	Insignificant
IIIB1	0	1	2.71	Insignificant
IIIC1	0.536	1	2.71	Insignificant
IIID1	0	1	2.71	Insignificant
IIIE1	0.006	1	2.71	Insignificant
V2	1.768	1	2.71	Insignificant
V4	2.143	1	2.71	Insignificant
V5	2.222	1	2.71	Insignificant
VI1	0.136	1	2.71	Insignificant
VII1	0	1	2.71	Insignificant
VIII1	2.759	2	4.61	Insignificant
IX1	4.512	2	4.61	Insignificant
X1a	2.154	2	4.61	Insignificant
X2a	1.668	4	7.78	Insignificant
X3a	2.077	3	6.25	Insignificant
X5a	0.392	3	6.25	Insignificant
X5c	4.918	3	6.25	Insignificant
X6	0.976	4	7.78	Insignificant
X8	3	4	7.78	Insignificant

Table 6.3.1.1.: χ^2 results for HR Board-level representation

The results show that there were no statistically significant differences observable for any of the above key questions.

Thus, from the underlying survey it cannot be concluded that companies with HR representation answered the questions relating to the existence of Corporate and HR strategies and the involvement of HR Specialists in their formulation differently from those companies where the Head of the HR function is a member of the company's executive board!

This poses serious questions about the necessity of this representation for the underlying model and other concepts of SHRM. Eventually, the awareness of other than HR executives of the importance of HR issues is sufficient to allow a strategic approach to Human Resource Management. This would somehow follow the findings of the Price Waterhouse/Cranfield research where reported high percentages of board representation were not necessarily matched by high percentages of HR strategies or involvement in corporate strategy formulation from the outset.

6.3.2. HR involvement as a function of company size

The same tests as above were carried out for the criterion size. Here the respondents were split into two groups:

Group 1: Companies that employ up to 1.000 employees (18 responses)

Group 2: Companies that employ over 1.000 employees (14 responses)

The χ^2 -test was applied to the following null hypothesis:

H₀: Companies with **up to 1.000** employees will answer the critical questions in the same way as companies with **over 1.000** employees.

H₁: Companies with **up to 1.000** employees will answer the critical questions in a different way than companies with **over 1.000** employees.

Test interpretation:

The H₀ has to be rejected when χ^2 value > χ^2 critical, otherwise it cannot be rejected.

To calculate the χ^2 tests contingency tables were created on the following key questions:

- I.1 *Does your organisation have a Human Resource (HR) or Personnel function?*
- I.2a *What is the title of the department dealing with HR issues?*
- I.3a *Is the head of the function dealing with HR issues member of your organisation's executive board?*
- II.1 *Does your organisation have a Mission Statement?*
- II.3 *What role did the HR function play in the formulation of the Mission Statement?*
- III.A1 *Does the HR function analyse Economic Factors in your organisation's external environment?*
- III.B1 *Does the HR function analyse Social Factors in your organisation's external environment?*
- III.C1 *Does the HR function analyse Political Factors in your organisation's external environment?*
- III.D1 *Does the HR function analyse Technological Factors in your organisation's external environment?*
- III.E1 *Does the HR function analyse Ecological Factors in your organisation's external environment?*
- V.2 *Does the HR function analyse the likelihood of new entrants into your markets and the possible impacts on your organisation's Human Resources?*
- V.4 *Does the HR function monitor the development of substitutes to your company's products and services?*
- V.5. *Does the HR function monitor competitors in your industry?*
- VI.1 *Do you monitor and analyse the supply of Human Resources from international/national/regional/local labour markets?*
- VII.1 *Do you break down your organisation's Human Resource inventory?*
- VIII.1 *Is there a formal evaluation of the HRM function in your organisation?*

- IX.1 *Does the HR function create or contribute to a Company Profile for your organisation which analyses different key success factors?*
- X.1a *Does your organisation have a corporate strategy, a business strategy or a strategic plan? Is it written down?*
- X.2a *What is your role in the actual process of formulating grand- and business strategies?*
- X.3a *How would you rate the HR function's influence on the strategic decision-making process at the grand- or business strategy level?*
- X.5a *Does your organisation have a Human Resource strategy, i.e. an overall strategy which integrates the organisation's various HR policies? Is it written down?*
- X.5c *How would you describe the linkage between the HR strategy and the business strategy in your organisation?*
- X.6 *What is your role in formulating HR strategies?*
- X.8 *How would you describe the role of the HR function in your organisation?*

6.3.2.1. Chi-squared results for company size over and under 1000 employees

The chi-squared was carried out and critical values derived at a significance level of $1-\alpha = 0.90$:

	Size < 1000 employees: >1000 employees?			
	Chi-squared	df	chi-crit	sig./insig
I1	1.659	1	2.71	Insignificant
I2a	1.454	3	6.25	Insignificant
I3a	2.143	1	2.71	Insignificant
II1	7.788	2	4.61	Significant
II3	0.48	3	6.25	Insignificant
IIIA1	1.814	1	2.71	Insignificant
IIIB1	0.653	1	2.71	Insignificant
IIIC1	0.653	1	2.71	Insignificant
IIID1	0.034	1	2.71	Insignificant
IIIE1	0.123	1	2.71	Insignificant
V2	0.716	1	2.71	Insignificant
V4	2.743	1	2.71	Significant

V5	0.051	1	2.71	Insignificant
VII	0.161	1	2.71	Insignificant
VIII	5.744	1	2.71	Significant
VIII1	4.327	3	6.25	Insignificant
IX1	4.378	2	4.61	Insignificant
X1a	4.609	2	4.61	Insignificant
X2a	5.932	4	7.78	Insignificant
X3a	7.27	4	7.78	Insignificant
X5a	2.599	3	6.25	Insignificant
X5c	2.437	3	6.25	Insignificant
X6	6.643	4	7.78	Insignificant
X8	1.388	4	7.78	Insignificant

Table 6.3.2.1.: χ^2 results for split by size

A comparison of the calculated χ^2 -values with the table values for χ^2 at a significance level of $1-\alpha = 0.90$ shows that there is a statistically significant difference in the answers to questions II.1, V.4 and VII.1 between companies employing up to and over 1.000 employees. Question II.1 was concerned with the existence of Mission Statements, question V.4 with the monitoring of substitutes and question VII.1. with a breakdown of the organisation's HR inventory. An examination of the corresponding frequencies revealed that there appeared to be evidence that the smaller companies were more likely not to have a Mission Statement and that likewise their respondents were more likely not to break down their HR inventory. In regard to question V.4 a closer examination of frequencies showed that only two organisation's HR functions paid attention to substitute products and services and both were from Group 2. This could be seen as very weak evidence.

Thus, from the underlying survey it can be concluded that companies employing more than 1.000 employees are more likely to have a Mission Statement and break down their HR inventory than organisations which employ less than 1.000 employees! However, the data does not suggest that there are overall statistically significant differences in answering patterns relating to the size of the organisation.

The results from this test only showed a statistically significant difference from the expected distribution for three questions. Thus we would be hard pressed to state that there was any significant overall difference in strategic orientation of the HR function in smaller or larger organisations. This comes as a bit of a surprise since larger organisations are certainly more likely to have the technical resources for a more in-depth analysis of the company's external and internal environment than smaller ones. There could be two possible explanation for the similarity in answers. The necessary competences that are required to carry out analyses for strategy formulation are not present or organisations do not consider the inclusion of HR based analyses as value-adding to the strategy process.

The full tabulation and χ^2 -values can be found in Appendix 22.

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

CHAPTER 7

CONCLUSIONS AND RECOMMENDATIONS

Introduction

In the first section of this Chapter, consideration will be given to the research results in relation to the model of integration introduced in Chapter 3. It will briefly summarise the main findings and highlight their implications for the state of play in Scottish Financial Services in 1994. The conclusions will follow the sections as laid out in the model of integration.

The following sections will look at the limitations of the study, the way forward for future research on the integration of HRM with Corporate strategy and briefly state the main areas for improvement if a similar piece of research was to be carried out again.

Section I

"Human Resources" as the denominator of the function dealing with manpower issues has not yet superseded the traditional "Personnel Department" in Scotland's Financial Services Corporations. Although nearly all companies in the study had a Personnel/HR department only one in six called it Human Resources. If the name is an omen for the activities and the roles of the specialist involved in Personnel/HR work then this first section started off in a rather traditional way indicating not much change from a predominantly administrative function. Board-level representation of the Personnel/HR function was measured in 50% of companies in the study; once again not much change from the figure reported by Brewster and Holt in 1990/91. HR Board-level representation as the first "proxy" of integration, it can be said, was not commonplace amongst the participants of this study. (Figure 7.1.) However, as the comparisons in

answers from companies with and without Board-representation have shown there were no statistically significant differences in answers to the selected key questions (the key questions are listed in section 5.2.6.). As was stated earlier, that poses serious questions about the necessity of this representation, since there is no guarantee that this means any more involvement in strategic issues. Here the results confirmed studies carried out by Price Waterhouse/Cranfield in 1991.

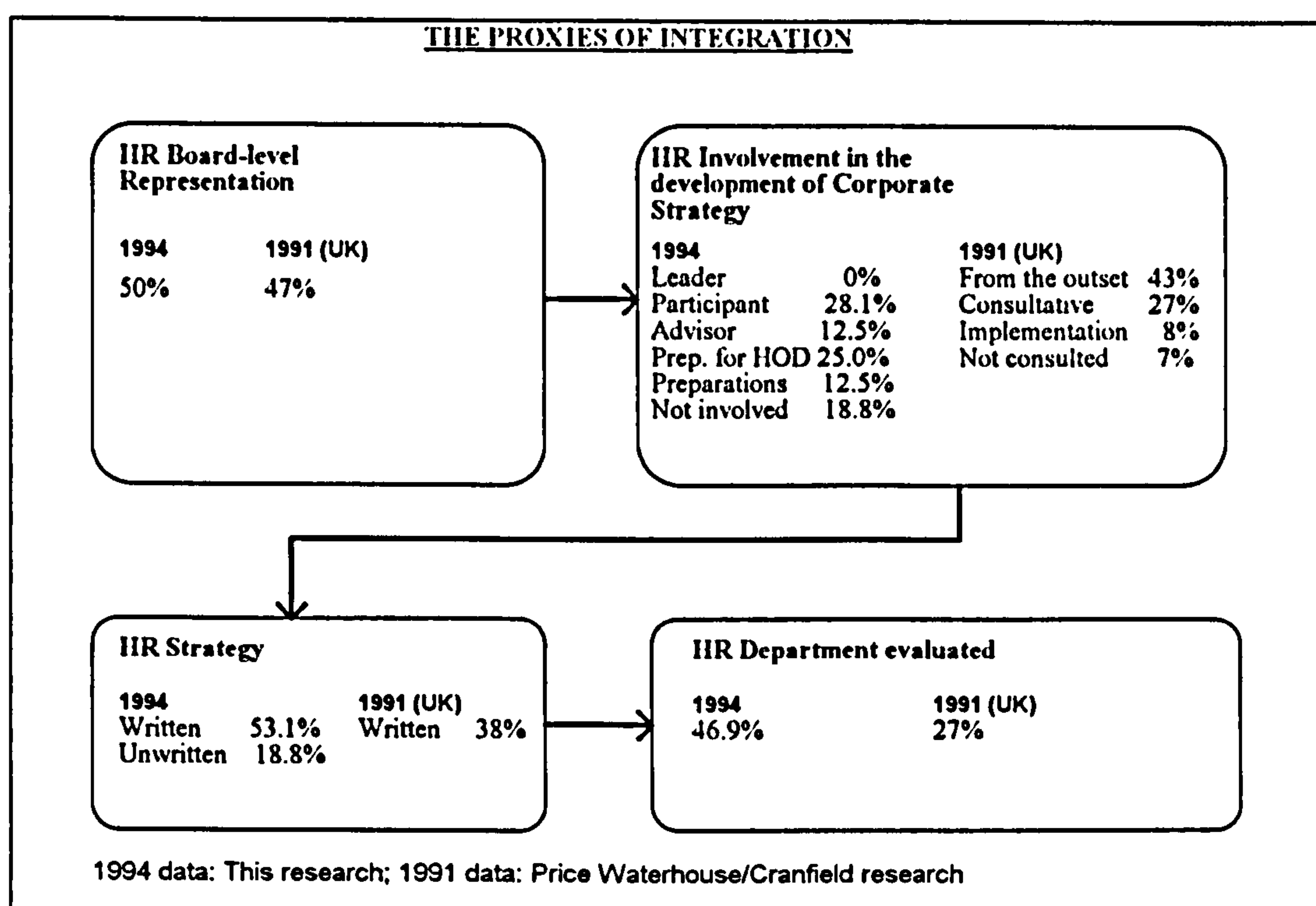


Figure 7.1.: Results of the "proxies" of integration

HR strategy specialists were generally a rarity amongst the companies in the survey, as were outside strategy consultants contracted in by firms. This might indicate a certain level of reservedness towards the value HR strategists can add to the business. According to the working definition of SHRM drawn up in Chapter 2, these specialists are to constantly monitor the continuously changing environment to improve the systematic management of the classic HRM activities: Selection, Appraisal, Rewards and Development. This monitoring activity, as we will see again later is clearly a very weak area.

Figure 7.2. depicts the central part of the model of integration developed in Chapter 3. The main results of this research are shown next to the relevant sections. In the following these results will be commented upon in more detail.

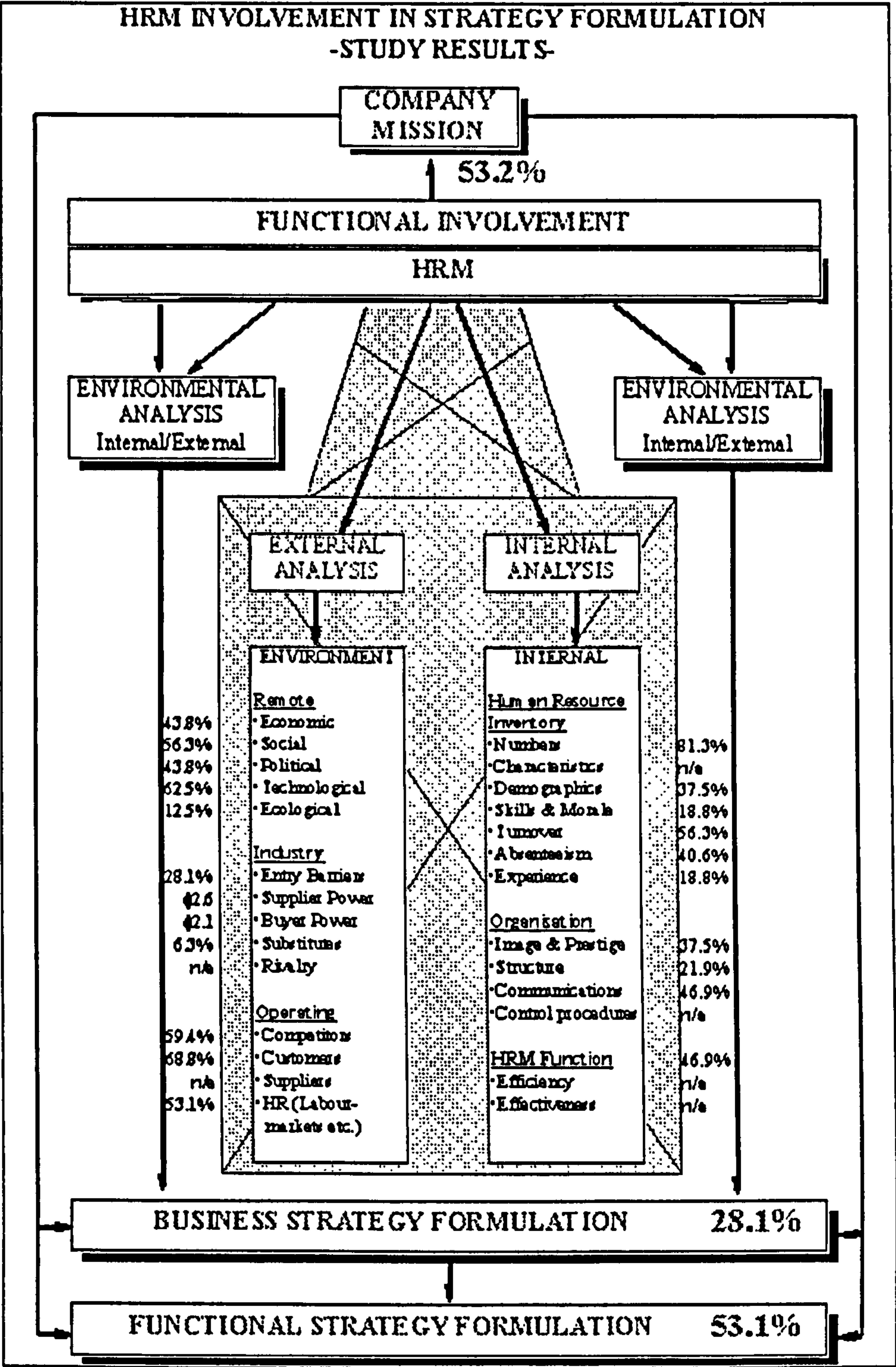


Figure 7.2.: Main results

Section 2

To recall:

"A company's mission is the foundation for priorities, strategies, plans and work assignments. It is the starting point for the design of managerial jobs, and above all for the design of managerial structures" (Drucker 1977).

Although three-quarters of companies in the study indicated that they had a mission statement, only in 53.2% of those was the Personnel/HR function involved in the formulation of the mission statement. In Chapter 3 four strong arguments for the involvement of HR Specialists were given:

- the dependence of Corporate Strategies on employee commitment,
- the advantageous position of HR Specialists to analyse existing cultures,
- the role of HR Specialists as facilitators of implementation and communication of new missions,
- the involvement of HR Specialists with major stakeholders of the firm.

Despite the importance of mission statements; despite the above arguments; despite the proposed stakeholder approach to mission statement formulation and despite the encouraging 40% of respondents who stated that the formulation of their company's mission statement was a formal process, the degree of involvement can only be described as disappointing.

As was mentioned in Chapter 6, although the first important part towards an integrated model of SHRM and Corporate Strategy, that is the Mission Statement, is present, the involvement of HR Specialists in its formulation is very limited. The formulation of

Mission Statements is most likely still a "green-table" affair for Executives and the polling of expectations of stakeholders is rather forgotten.

In relation to the underlying model the first conclusion can be derived:

Conclusion 1:

Stakeholders and culture are only analysed by the HR/Personnel functions or HR Specialists in a minority of companies, thus their input into the company's mission statement is very limited.

Recommendation:

Companies that do not have HR Board-level representation must not pursue the attainment of this status at all costs because the benefits of this to the proposals of this research are doubtful. More important is a concentration on the development of structured and systematic ways of collecting information from stakeholders. No firm can ignore the legitimate rights of their stakeholders and would be foolish to do so, especially at times when strategies have to be implemented that require commitment from employees and a strong identification with company values and culture. HR Strategists should carry out these tasks on a regular basis.

Section 3

The analysis of the organisation's external environment formed a very substantial part of the model of integration. Scanning for opportunities and threats arising from the environment is regarded as essential for any HRM department claiming to be strategic.

However, the reality looked slightly different. On average only 44% of respondents claimed to analyse their organisations' external environments. This rather low uptake of the suggestions for analyses made in Chapter 3 is most probably one explanation for the non-existence of HR Strategists in many companies. The activities of scanning the external environment for opportunity and threats are, it is well recognised, the precursor to formulating strategic decisions, in all areas of the business. For over 50% of companies environmental influences on their Human Resources were seen as not worth investigating. Without the necessary facts and hard data to contribute to the strategy-making process HR departments are not going to be asked to contribute, because their involvement would clearly be seen as non value-adding.

Section 4

Structured approaches to analysis, whether for quantitative or qualitative data complements the collection of data. The results of this study indicated that a structured approach to analysis by those organisations that collected data, was the exception rather than the rule. It appeared that the analyses, and thus the quality of information, suffered from rather erratic approaches. Under these circumstances it is not surprising that the input of HR specialists into the strategy process remains rather limited. Once again this might be explained by the fact that there are no dedicated resources available to collect and analyse the information.

Section 5

Whereas on average just over half the HR functions in this study analysed the remote environment, their firm's industry environment seemed to be of even less interest. This was very surprising given the fact that competition in financial services is strong and new competitors enter frequently or old competitors form new alliances. The likelihood of new entrants was analysed by 28.1% and competitors were watched by 59.4% (almost all only paid attention to their competitors' HR). Likewise customer information that could be used to determine qualitative and quantitative staffing levels was still not used by all respondents. Less than 10% developed overall competitor profiles to identify strengths and weaknesses. It would appear that the analysis of the environment in which the organisation operated, was rather concerningly, not seen as having too much relevance to the HR functions. The percentage figures depicted in Figure 7.2. indicate the share of HR departments in the survey that analysed the relevant areas in the industry and operating environment. These results show rather depressingly that the HR function is still rather remote from the core business.

Section 6

More shocking than the above findings was the fact that only 17 out of the 32 companies monitored the supply of human resources. Labour market analysis should surely be the main stay of any Personnel/HR department, but the study findings suggested that this activity is either non-existent or unsystematic and often little better than guesswork. Disappointing were also the figures for demographic and educational supply-side trends. These findings are most definitely not compatible with organisations that aim at recruiting and retaining the best available HR!

As previously highlighted the implications of these results for the model of integration are serious. Strategic HR functions, integrated in the strategy making process cannot afford to pass on questions about the future labour supply to the company, if expansion or re-organisation strategies are planned.

Conclusion 2:

Opportunities and threats arising from the remote, industry and the operating environment (except HR supply) were on average analysed by only just over half the companies in the survey. This limits the input of hard data into the strategy process and subsequently the influence HR functions can exert.

Recommendation:

To a great extent the formulation of strategy relies on accurate information about the company's external environment. It is thus paramount that the opportunities and threats occurring in the remote, industry and operating environment of the firm are identified and actions formulated to counter these influences. This ability can be created by deploying dedicated resources in the HR team to carry out this task. Thus, HR Strategists should be appointed to scan these areas of the external environment and to provide the basis for sound strategic decisions that influence the attraction, retention, development and motivation of HR. In particular the HR supply to the company at the moment and in the future has to be monitored by the HR department, whether strategists are available or not. This activity is not new or revolutionary but should be a mainstay activity for all organisations.

Section 7

Looking internally a more positive picture emerged about the involvement of Personnel/HR functions in analysing their company's existing HR. Over 80% broke down their HR inventory by some criteria. However the data was not generally used to create ratios or "hard" measures for HR effectiveness. Clearly computerised databases could be used for more than just record-keeping and ratios and financial measures be applied that would bring the HR department more in line with their business counterparts, where these measures are commonplace.

Section 8

The study showed a higher percentage of organisations analysing the HR function than in 1991. Whereas in Brewster and Holt's data only 27% of company's evaluated the HR function this study found a rate of 46.9%. This is a fairly substantial increase and has to be noted positively. It was furthermore pleasing to find that of those 15 firms who did evaluate their HR function 11 reported that the function was evaluated from a point of view of internal customer satisfaction. All in all it could be said that the profession is on the right track in this area, clearly realising that financial measures are and cannot be the be-all and end-all, if initiatives are to be undertaken that are truly strategic in nature and where pay-off or return is very long-term if at all and not easily measurable.

Conclusion 3

Internal analysis was more popular with the HR functions in the study than external scanning. However, although a breakdown of the HR inventory was carried out by most organisations in the survey, the data and ratios that can be created therefrom were not frequently used. These data were apparently neither used to evaluate the business from an HR point of view nor the effectiveness of the HR function.

Recommendation:

The data that can be extracted from analysing the organisation itself has to be put to more use than before. HR ratios are legitimate measurement tools for both the business and the HR/Personnel department and should be used as such extensively. The "marketing" approach to measuring HR efficiency and effectiveness through customer satisfaction has to be expanded on, in order to clearly establish value-adding activities and to stop wasting money on non-value adding services which might better be scrapped or outsourced. Identifying these services in itself is a valuable exercise of internal analysis because it can help to discover areas of strength and weakness in the Personnel/HR area.

Section 9

If nothing or very little is analysed then nothing or very little can be contributed to a company profile! This is the conclusion that has to be drawn from the data of the study. Since strategic external analysis is not commonplace yet, only just over one-third of

respondents developed or contributed to company profiles. Unfortunately, this also means that a further element of the model of integration remains rather idealistic to date. On a more positive note, internal characteristics of the firm were collected by 20 companies. However, it could be concluded that the external part is not yet regarded as something that can be actively managed.

Section 10

This section revealed the true involvement of HR specialists in the strategic decision making of the company and this was very limited. Only 28% of respondents are actively involved in the formulation of business strategy in their organisation! This percentage appears to be very low for a population of respondents that almost completely consisted of Directors and senior managers. Although it is realised that there may be other company-internal political reasons for this low percentage, in the light of the underlying model it has to be concluded that this is due to a relatively poor performance in the collection of evidence from external and internal influences that impact on the future of the organisation. Resulting from the evidence collected to the relevant questions, HR influence on corporate strategic decisions was unsurprisingly classified as "moderate", but had gained importance over the last three years.

Given the fact that most respondents saw the process as being more on the rational side than the political one, the following conclusion can be derived:

Conclusion 4

An overall very low rate of participation of HR specialists in the formulation of corporate or business strategies could be observed. It is possible to attribute this partly to the fact that only very few organisations actively scanned both the internal and external environment for opportunities and threats to generate data and arguments to influence the company's future in one direction or another.

Recommendation:

In organisations where strategic decision making follows a rational approach, i.e. is data or facts-led, more in-depth and elaborate analyses are likely to increase the influence of the HR function on decision-making at the highest level. HR Directors should actively encourage and recruit HR specialists who can apply quantitative, rational and relevant analyses that increase the value added to the decision-making process. These specialists will act as "water-carriers" with their roles falling into the "preparations for HOD" category. They will have the competencies of HR strategists as outlined under 3.6.

Human Resource Strategies as a means to integrate various HR policies are becoming more popular, though still not being the norm in all organisations. The comparison made in Chapter 6 with Brewster and Holt's figure showed a clear increase with the overall count of written and unwritten HR strategies now standing at about 73%. It is very doubtful, however, if unwritten strategies are of any use, because they will most definitely be very difficult to communicate to a larger but key audience such as staff. Not surprisingly larger organisations were more likely to have them in written form than

smaller ones. There do not appear to be any immediate consequences from this fact, bearing in mind the model's assumption that HR strategy should be intrinsically linked to corporate strategy which should be reflected in the two having the same planning horizon or timescales. Pivotal integration makes this mandatory. The intricate linkage should then be felt by respondents, who as employees will be affected by both the corporate and HR strategy. But reality suggests a different picture: it seems that in the majority of companies in Scottish Financial Services HR strategy is tacked onto the corporate strategy, a nice thing to have but really only an appendix to the major decisions made by others than the HR function.

This unavoidably must lead to frustration, expressed in the fact that half of the respondents saw themselves as "Administrators" or "Personnel Managers" with a mainly reactive role to play in the business.

7.1. Limitations of the study

At this stage it is useful to make some general comments about the limitations imposed by the use of the research methodology applied in this project and to make recommendations for future research in the area of HR involvement in the formulation of corporate strategy.

Survey based research always depends on the goodwill of respondents. From the researcher's own experience it appears that a response depends not only on the time available to and the interests of the respondents in the particular area of research but also very much on the knowledge of the addressee. The research strategy applied in the study somehow circumvented this problem unintentionally by the fact that several questionnaires were posted to the same company to different addressees. Although the initial intention was to get a multi-levelled response it enabled the researcher to receive at least on usable response from key companies.

Although the research design enabled the researcher to create a snapshot of strategic activities that were being carried out within the limitations of the model it did not allow for a reflection of *all* possible strategic activities and approaches within Scottish Financial Services firms. This limitation is a clear consequence of using a model as a yardstick for comparison. Bearing in mind these limitations practice showed a clearly different picture from theory, despite the possibility that some answers might have reflected a "desirable" state rather than actual practice.

Since formal strategic decision making is a fairly complicated and lengthy process, the model and consequently the questionnaire had to reflect this. The length of the questionnaire was definitely a limitation in regards to responses, given the already mentioned constraints on time, interest and knowledge on behalf of respondents. It might be worth considering an even more focused approach for future research projects into

this field. A further limitation was the type of question that had to be asked which clearly complicated the analytical part of the research. The researcher would have preferred simple "Yes/No" answers or rated answers on a scale from 1 to 5 which lend themselves to parametric statistics. However, this would have lengthened the already long questionnaire and produced many rather similar looking questions hence reducing the attractiveness of the questionnaire even further.

The lack of previous studies into this area, and in particular the lack of comprehensive field work meant that many aspects of this research ventured into unknown territory. Therefore comparisons with other studies or the tracking of developments was very difficult. This also rendered a benchmarking of the research practices/strategy virtually impossible. The results therefore could be seen as "first" against which follow-up research could be benchmarked.

Another "first" was the concentration on one industry and one country. This voluntarily introduced limitation of the population and the geographical area obviously meant that the results cannot be representative for Financial Services in the whole of the UK nor for the personnel/HR profession in general. This, however, provides scope for further investigations to be carried out in other industries or other financial centres in the UK or indeed further afield.

7.2. Recommendations for future Research

In the light of the above mentioned limitations the following recommendations can be made for future research projects in this field:

1. Applying the same research strategy to a different industry/geographic area and target population. In addition to providing a snapshot for a specific group this would allow comparative studies between various groups.
2. Applying the research strategy to the same target population after a period of say two years. This allows for a longitudinal study and could provide an insight into the development of strategic decision making.
3. Investigating a causality between variables in strategic decision making to a greater extent than it was possible during this research project. This could lead to the identification of key factors for strategic integration from a practical perspective. Combined with an analysis of company performance criteria it might be possible to establish "strategic success factors" and relationships.
4. Carrying out qualitative research in the area of strategy formulation in a selection of companies. This would allow the compilation of case studies of strategic integration incorporating *all* activities carried out prior and during the formulation of strategy. Thereafter comparisons between companies might be possible and frequency counts could identify *common* practice. If sufficient evidence is collected comparisons could be made between industries/geographical areas.
5. Researching the involvement of HR specialists in the *implementation* stage of strategy, i.e. the second step in the strategy process. It might be valuable to investigate whether the exposure to the core business that some HR functions have gained in strategy formulation is reflected in their involvement during implementation. This then could be followed up by HR involvement in strategy *evaluation*.

Many of the aforesaid recommendations stress the need for more fieldwork in the area whether it be exploring the formulation stage of strategy-making in more detail, in different target populations or by changing tack to the subsequent stages of the strategy process. There are certainly a wide variety of interesting models of strategic decision-making, Strategic Human Resource Management and HRM available, but few of them have been confirmed or been discredited by elaborate fieldwork. It is recommended that future research concentrates on the testing of existing models rather than the development of new ones.

7.3. Implications of the Research

In the light of the rational approach to strategy-making underpinning this research project the following implications became apparent:

1. For industry

In order to further integrate HRM into the overall strategy process and into the firm's strategy companies will have to encourage input from the HR side. This can only be achieved by an exposure of the HR function to the core business. The creation of internal supplier-customer relationships is vital to this end. (N.B.: Since it could not be demonstrated that HR representation at board-level made a statistically significant difference in answers to the research questionnaire, this representation is not necessarily an implication here. This representation was mentioned under 3.6. as one of the implications of pivotal integration.)

A more business-oriented approach to the provision of HR services could come from a re-organisation of HR departments along processes. This would imply that HR delivers consultancy support to the business manager and that the functional boxes of, for

example, recruitment, payroll etc. are disbanded. In short, the HR function has to provide customised services to the business, resulting in a demand-driven orientation rather than supply-driven.

Only if the above precondition is fulfilled can the HR function contribute to the "bottom-line" by understanding the needs of its customers and adding value to processes. The measurement of HR activities through ratios or by customer feedback are then but logical consequences of an increased exposure to the business. The use of more quantitative approaches to the collection and generation of information influencing the organisation's Human Resources, such as demographic trends and other crucially important HR supply figures will further support this drive towards a pivotal integration with the core business.

2. For HR Specialists

The current state of integration in Scottish Financial Services and the above demands have serious implications for the activities of HR specialists. Firstly, HR specialists' activities have to become more strategic and leave the still very administrative colouring behind. A move to internal supplier/buyer relationships means that HR people will have to listen to their customers and provide solutions that truly add value. That in turn means that recruitment, training, development and also administrative activities have to be aligned around a customer-focused process and to fulfill business-needs and therefore already become strategic. *The aim must be to deliver what is beneficial to the customer and the company and not what is convenient to the personnel department.*

This distinction is crucial and prompts the question of qualifications of HR specialists. A business orientation calls for a business education of HR specialists. If a centralised HR department is desirable then it has to be staffed by employees who have an understanding

of business issues and can apply measures to themselves and the output of their work that are compatible with the ones used for the business. The HR strategist will have to be a generalist who understands the impacts of the environment on the firm and who can correlate and translate this information to results that matter to the business manager - who is his or her customer.

3. For academics and teachers of Human Resource Management

As the study has shown *common practice* still lags significantly behind *best practice*. But is the best practice as defined by academia and very often derived from a few key examples desirable common practice? It seems that we can witness a phenomenon where academics develop new ideas and approaches which lead to the introduction of derivatives of these ideas to form common practice which in turn, if successfully implemented delivers a new basis for best practice. (Figure 7.3.1.) Often, however, there is no single best practice observable because, given the ever-increasing popularity of benchmarking, copycat behaviour and indeed continuous improvements make it very difficult to determine "a unique theory of SHRM".

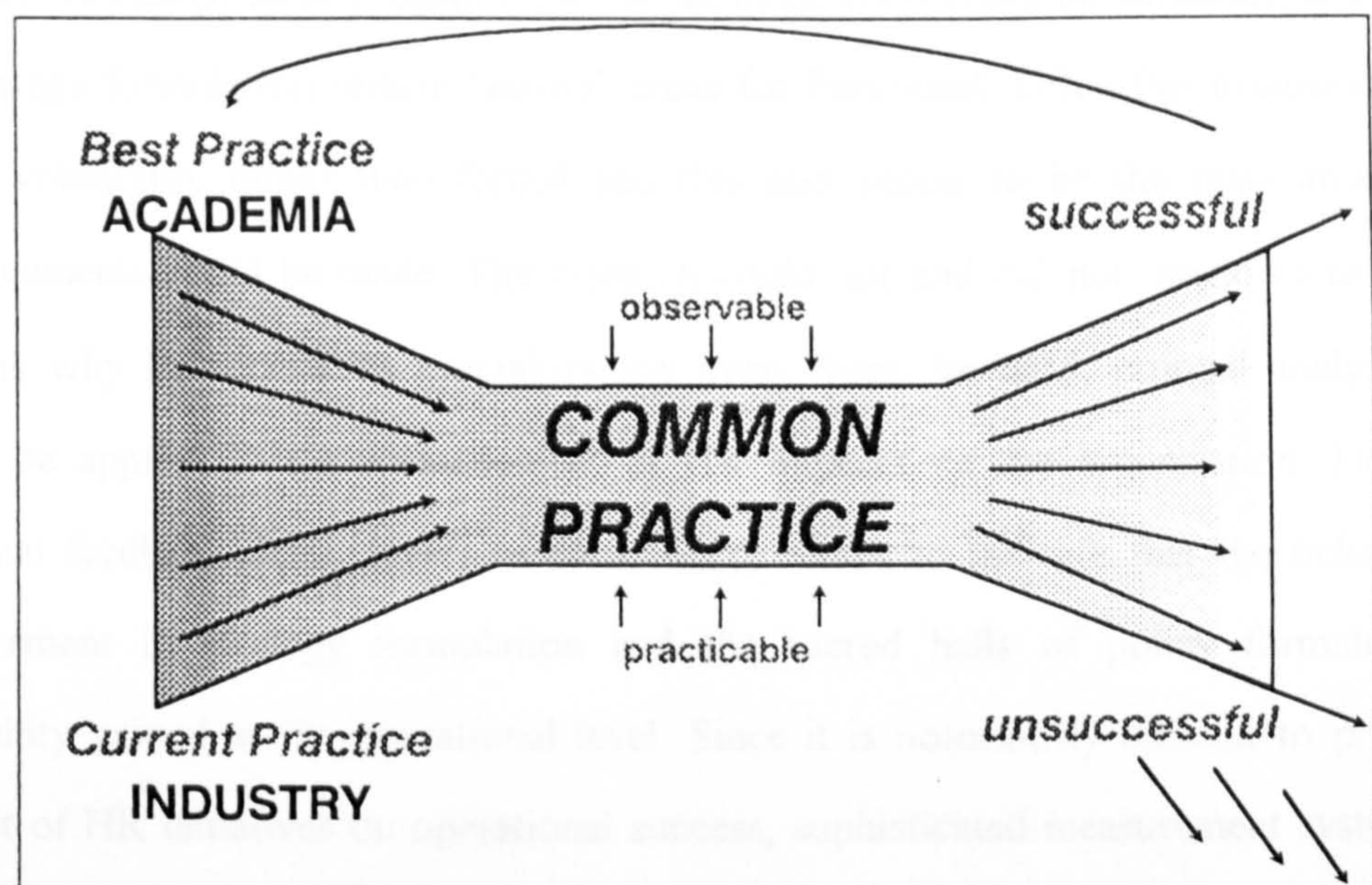


Figure 7.3.1.: The mutual influence of industry and academia on "common practice" in HRM

Successful common practice thus is the milestone that defines "best practice" and that is the area where future research could be carried out as an extension to this study. The development of success factors that can stand the test of time to measure these practices against is crucial if research wants to avoid too many IBMs as examples of "successful" HRM!

On a more specific note the study's implications on teaching and training of HR specialists are of a clearly quantitative nature. To enable HR specialists to provide the strategic input required for the underlying model of integration they will have to be equipped with the tools and techniques to generate the data. In relation to Storey's four sector model of the meanings of HRM these tools relate to the upper-right quadrant of a "hard and strong" approach to achieve the full utilisation of the organisation's HR. Teaching and training therefore will have to reflect this approach and emphasise the importance of rational and quantitative techniques.

On a conclusive note it has to be said that the proposed integrated model of Corporate and HR Strategies is still more or less idealistic and reflects current practice only partially. Although some progress towards an integration could be witnessed many areas of strategy formulation remain "no-go" areas for Personnel. Often this exclusion seems to be voluntarily rather than forced and this also seems to be the main area where improvements could be made. The research could not and did not intend to reveal the reasons why Personnel/HR specialists shy away from the hard, rational analyses that could be applied to the measurement of HR impacts on the organisation. However, personal feedback from players in the industry seems to indicate that the ticket to an involvement in strategy formulation and the sacred halls of policy formulation is credibility gained at the operational level. Since it is notoriously difficult to prove the impact of HR initiatives on operational success, sophisticated measurement systems are key. This might go against the grain of many HR specialists who are used to having a

"soft" image as the "conscience of the company". But only by maximising the utilisation of an organisation's HR through effective selection, development and retainment will companies be able to remain successful in the next century. Only if this thinking settles in can HR specialists add value to the business by delivering the knowledge and experience to enhance these processes.

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APPENDICES

APPENDICES

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APPENDIX 1

HR Audit Questionnaire (Tsui)

Exhibit A. Eight dimensions of Human Resource department activities.

Activity	Factor Loading
I. Staffing/Human Resource Planning	
1. Assess returns from human resource development investments	.55
2. Develop human resources staffing plan to meet business needs	.53
3. Consult with management on the practical implications of corporate human resources programs	.53
4. Develop and implement recruiting advertising programs	.51
5. Be aware of job market factors in related industries in the development of company programs for implementation in the locations	.50
6. Develop and implement succession planning (e.g., replacement charts)	.49
7. Keep up with HR programs developed at the corporate or central personnel departments	.46
8. Process external development requests for professional courses	.46
9. Provide career pathing information	.45
10. Provide advice and counsel to management on staffing policy and related problems	.43
11. Assist management in the development of five-year strategic plan	.42
12. Conduct special compensation projects (e.g., programmer salaries)	.42
13. Assist management in conducting salary planning/forecasting	.41
14. Evaluate and assess levels of management (numbers) and management ratio (span of control)	.40
15. Improve personnel productivity through process flow analysis techniques, etc.	.40
16. Develop and implement recruiting programs	.38
II. Organization/Employee Development	
1. Assist management on organizational development activities (e.g., formal team building efforts)	.61
2. Assist managers in constructing employee development plans	.61
3. Evaluate the effectiveness of training courses and programs	.61
4. Conduct training needs assessment	.60
5. Monitor administration of inhouse training courses and programs	.59
6. Provide advice and counsel to management on organizational design and development	.57
7. Help management resolve organizational problems	.55
8. Assist management in human resource planning	.55
9. Provide career and development counseling to employees	.51
10. Develop and design innovative programs for the organization (e.g., work at home program)	.41
11. Develop organization training and development plans	.40

12. Communicate training program or courses to managers and employees	.34
13. Identify internal candidates for promotion or transfer	.30
III. Compensation/Employee Relations	
1. Implement policy on equal pay	.59
2. Develop and implement audit program for equal pay	.56
3. Develop and monitor job descriptions for all jobs	.56
4. Assist management in resolving salary problems	.54
5. Perform job market pricing to determine the local fair market value of jobs	.50
6. Process salary actions (e.g., review salary offers, approve grade promotions and special merits, provide documentation for unusual or unique salary actions)	.48
7. Develop and implement system for timely performance appraisal	.47
8. Conduct surveys to determine employee attitudes	.46
9. Ensure consistent and equitable treatment of all employees	.46
10. Plan, develop, and design employee relations program	.44
11. Provide advice and counsel to management on employee relations problems	.42
12. Communicate to management the philosophy, legal implications, and strategy relating to employee relations	.41
IV. Employee Support	
1. Maintain health maintenance programs	.61
2. Provide hardship, emergency counseling and assistance to employees in need	.58
3. Establish functional relationship with local physicians and insurance carriers to effectively assist employees' needs in the areas of physical and mental health	.58
4. Act as an information source for employees on any problem or concern they have	.53
5. Process benefits claims	.49
6. Administer pension plans coupled with financial planning as employee benefits	.49
7. Seek out and provide meaningful jobs to handicapped people	.47
8. Publish newsletter on personnel and company matters	.45
9. Coordinate activities with other departments	.44
V. Legal Requirements/Compliance	
1. Comply with the technical requirement of the Affirmative Action Compliance Program	.72
2. Develop Affirmative Action Compliance Program for protected classes	.70
3. Implement approved Affirmative Action Compliance Program	.70
4. Document efforts to meet Equal Employment Opportunity goals and other action oriented commitment within the organization's most current Affirmative Action Compliance Program	.68
5. Audit/monitor the organization's attrition of employees in protected classes (i.e., minorities, handicapped)	.65

Exhibit A. Continued.

Activity	Factor Loading
6. Ensure compliance with Federal and State Fair Employment Practices	.52
7. Investigate internal and external complaints consistent with organization's policies and procedures on EEO/AA	.42
VI. Labor/Union Relations	
1. Negotiate labor agreement with union	.79
2. Administer labor contracts	.78
3. Determine negotiation strategy with labor union	.75
4. Conduct labor/management meetings and ventures	.67
5. Conduct arbitrations	.54
VII. Policy Adherence	
1. Assure proper administration of disciplinary procedures	.52
2. Ensure equitable and uniform interpretation and implementation of company policies by all operating division managers	.47
3. Assure equitable administration of attendance and leave policies	.47
4. Serve as mediator between managers and employees	.41
5. Explain and interpret personnel policies and procedures for management (e.g., general application, acceptable deviations)	.39
VIII. Administrative Services	
1. Communicate compensation/benefits programs to management	.53
2. Process enrollments and communicate benefits program to employees	.46
3. Conduct new hire orientation sessions	.43
4. Present informational material at management and employee meetings (e.g., new benefits programs, new policies)	.42
5. Resolve benefits administration problems	.33
6. Administer relocation procedure	.31

Exhibit B. Criteria for evaluating the effectiveness of Human Resource departments.

Evaluation Criteria	Factor Loading
I. Responsiveness	
1. Quickness and effectiveness of responses	.72
2. Employees' trust and confidence	.68
3. Level of cooperation from HR department	.66
4. Degree of objectivity and neutrality	.64
5. Average response time to employee inquiries	.62
6. Degree of uniformity and fairness	.60
7. Average time it takes to resolve disputes	.59
8. Number of personnel files lost or misplaced	.56
9. Employees' opinion of HR department's effectiveness	.55
10. Degree to which HR department is open and available	.55
11. Degree of mutual respect and team work with line managers	.49
12. Legal conformity of pay plans and benefit programs	.48
13. Degree of involvement in employee grievances	.47
14. Quality of service provided	.44
15. Accuracy of benefit enrollment data	.43
16. Results of personnel audits	.41
17. This HR department compared to others	.40
II. Managing Cost and Negative Performance	
1. Voluntary vs. involuntary turnover rate	.58
2. No. of complaints from job applicants	.53
3. No. of equal pay complaints	.53
4. Rate of voluntary, controllable turnover	.50
5. No. of terminations due to poor performance	.50
6. Staffing cost per employee	.48
7. Acceptance per offer ratio	.46
8. Ratio of HR department headcount to population served	.46
9. No. of applicants to each open position	.45
10. No. of grievances filed and resolved	.43
11. No. of complaints that go outside company	.43
12. Percentage of employees received performance appraisal	.41
13. Percentage of employees with development plans	.40
III. Proactivity and Innovativeness	
1. Innovation of personnel policies to enhance employee morale and company allegiance	.53
2. Frequency of line management consultation with HR department	.52
3. Presence of a "standout" accomplishment or result	.52
4. Having a strategy to support line management business plans	.50
5. Effectiveness in developing a positive company image among employees	.49
6. Performance against goals	.49
7. Evaluation by corporate HR	.48
8. Effectiveness in dealing with poor performing employees	.47
9. Satisfaction of clients—managers and employees	.43
10. Quality of information and advice to top management	.42
11. Time lapse between establishment of policies at HR and practice in field units	.42
12. Number of programs initiated by the HR department directed toward enhancing the effective utilization of the "people" resource	.40
IV. Training and Development	
1. No. of training programs held per year	.65
2. Percentage of employees who participated in training	.64
3. Training course effectiveness ratings	.59
4. No. of hours training per employee	.59
V. Affirmative Action Accomplishments	
1. Minority promotion rate	.78
2. Percentage of minority in applicant pool	.77
3. Minority turnover rate	.75
4. Affirmation Action goal attainment	.53

APPENDIX 2

HR Audit Questionnaires (Cuming and Torrington/Hall)

Techniques for managing total labour resources

	<i>Yes/No</i>	<i>Action</i>
<p>1 Has the organization a <i>manpower plan</i>? In detail, is the following information readily available:</p> <p>(a) An organization chart?</p> <p>(b) Precise job descriptions for all posts shown on the organization chart?</p> <p>(c) An estimate of future labour requirements for five years ahead?</p> <p>(d) A training and development programme, designed to meet the estimated labour requirements?</p> <p>(e) A recruitment programme, designed to fill anticipated gaps?</p> <p>(f) A genuine assessment of the impact on these detailed plans of such imponderables as technical advance, sociological changes, and other local, national, or industry-wide factors?</p> <p>(g) A procedure for keeping the manpower plan under constant review, so that it is flexible above all else?</p> <p>2 Has the organization <i>personnel policies</i> which are written, published, and fully understood by all employees?</p> <p>3 Do the staff of the personnel department adhere to a <i>recruitment procedure</i> based on:</p> <p>(a) Receipt of a full job requisition from the departmental head?</p> <p>(b) A full analysis of the job, if this is not already available?</p> <p>(c) Familiarity with all local sources of labour supply: above all, friendly, personal contact with the job centre manager, careers advisory officer, and careers masters in schools and colleges?</p> <p>(d) Continuous check on the response, cost, and effectiveness of staff advertising?</p> <p>(e) Adequate training of all recruitment officers in the techniques of dealing with applications, taking up references, and interviewing candidates?</p> <p>(f) The use of selection tests and group selection methods where appropriate?</p>		

	Yes/No	Action
(g) The fullest preparation of members beforehand, when panel interviews are arranged?		
(h) Follow-up of successful candidates to validate the selection techniques used?		
4 Are the problems associated with <i>transferring</i> employees dealt with realistically throughout the organization?		
(a) Are supervisors impressed with the need to spot signs of trouble which may eventually lead to transfer requests?		
(b) Do managers have a positive attitude towards transfers, recognizing that some changes are inevitable if an organization is to grow?		
5 Does a clearly defined policy and procedure for <i>promotion</i> exist within the organization?		
Have these matters been resolved:		
(a) Seniority or merit as the basis for promotion?		
(b) The extent to which senior appointments shall be filled internally or by recruitment from outside?		
(c) Providing members of promotion boards with full job descriptions, and their training in selection and assessment techniques?		
6 Is there a <i>dismissal procedure</i> which is fully understood by management and employees?		
Does this allow individuals the right to state their case personally?		
And does it allow the right to appeal against dismissal decisions?		
Has a redundancy policy been prepared, in consultation with worker representatives, so that it is available should the need ever arise?		
In the event, does the policy provide for everything possible to be done to minimize the number of redundancies and to help those affected to find other jobs?		
7 In striving to obtain optimum use of available labour, is special attention given to the problems of employing:		
(a) Married women?		
(b) Older people?		
(c) Disabled workers?		
(d) Immigrant workers?		
Have senior management agreed a code of 'affirmative action' in applying the Race Relations Act?		
8 Is <i>training</i> viewed positively throughout the organization as the best means of increasing the productivity of all grades of staff?		
(a) Are training needs assessed effectively in the first place, priorities settled, and standards defined?		

	Yes/No	Action
(b) Is a development programme then established for each individual likely to benefit from further training?		
(c) Does the organization provide its own training officers by withdrawing executives from line management for short periods?		
(d) Are those responsible for training and job instruction properly qualified in the relevant techniques?		
(e) Have the advantages of using separate job instruction areas been fully evaluated, as opposed to the 'under-study' method?		
(f) Do line managers fully accept the fundamental importance of training-on-the-job, as opposed to sending subordinates on infrequent external courses?		
(g) Nevertheless, is the best use made of all the training facilities provided outside the organization?		
(h) Are employees who return from outside courses positively encouraged to apply the techniques learned and to develop new ideas?		
(i) Are relationships with neighbouring organizations such that a 'training circuit' can be arranged?		
(j) Are results of all training efforts followed up and evaluated?		
(k) Is full advantage taken of the range of opportunities presented by the Training Agency?		
9 Do <i>rates of pay</i> allow for any flexibility within the limits imposed by collective agreements, legislation, and government policy?		
10 Is management prepared to face up to the realities of getting rid of <i>restrictive practices</i> through <i>productivity bargains</i> ?		
11 Does management take the <i>initiative</i> in improving working conditions and in developing better methods of wage negotiation? Is it feasible to boost morale by a programme of regular changes in the working environment?		
12 Has the organization a clearly defined attitude towards <i>trade union membership</i> of its employees?		
13 Is management practice such as to encourage <i>shop stewards</i> to act in a constitutional manner? Does management help in ensuring that shop stewards are adequately trained for their tasks as worker representatives?		
14 Is <i>joint consultation</i> practised positively, as a method of obtaining employees' views on problems and proposed changes before final decisions are taken? (a) Do senior staff take the lead in encouraging joint consultation? (b) Are important items included on joint committee agenda?		

	Yes/No	Action
<p>15 Are the barriers to effective <i>communications</i> fully understood throughout the organization?</p> <p>Do the job descriptions for managers and supervisors make clear their responsibilities for communications?</p> <p>Is the concept of a feedback mechanism emphasized as a means of ensuring that communications are understood?</p> <p>(a) Are notice boards efficiently controlled?</p> <p>(b) Does the organization publish a house journal or newssheet?</p> <p>(c) Are employees issued with a handbook containing information about the organizations's structure, policies, working conditions and the rules of conduct?</p> <p>Is any one executive charged with ensuring that the communications system throughout the organization functions efficiently?</p> <p>16 Are checks made to ensure that a <i>consistent disciplinary policy</i> is applied by all managers and supervisors?</p> <p>17 Is <i>labour turnover</i> accurately recorded, and constructive use made of the information thus provided?</p> <p>Are exit interviews arranged with leavers, and followed up by management action on any deficiencies revealed?</p> <p>18 Are <i>welfare services</i> provided for the right motives?</p> <p>Are social activities largely administered by the employees taking part in them?</p> <p>19 Are there differences in the way '<i>staff</i>' and '<i>workers</i>' are treated in the organization?</p> <p>Is anything being done to remove these differences?</p> <p>20 Does the organization's provision for the <i>health</i> of employees exceed the minima laid down by statute?</p> <p>Are occupational medical services provided?</p> <p>21 Are continuous efforts made to impress on all employees that <i>accidents</i> will only be prevented when they accept responsibility as individuals for working safely?</p> <p>22 Is optimum use made of <i>outside organizations</i> and the various types of help they can offer in solving personnel problems?</p> <p>23 Is the personnel records system able to produce whatever management control information is required quickly and accurately?</p> <p>Getting the best from individuals</p> <p>24 Are individuals provided with precise <i>job descriptions</i>?</p> <p>25 Are they properly <i>inducted</i> into the organization when they start?</p> <p>Especially school-leavers?</p>		

	Yes/No	Action
26 Are <i>standards</i> of job performance clearly laid down?		
27 Is there a regular formal <i>assessment</i> of how well these performance standards are being realized?		
28 Are managers kept aware of research findings about the behaviour of individuals at work and the ways they function in groups?		
(a) Is the organization willing to participate directly in research work in this field?		
(b) Do managers know how to promote <i>job satisfaction</i> and remove the <i>frustrations</i> which individuals experience at work?		
(c) Are managers and supervisors readily accessible to their subordinates?		
29 Are the principles of <i>participative management</i> encouraged within the organization?		
In particular:		
(a) Do staff agree <i>targets</i> with their superiors for improved performance?		
(b) Is special attention given to <i>enlarging the jobs</i> of individuals, and is the application of this concept discussed with them by superiors?		
(c) During performance reviews, do staff help to identify <i>organizational shortcomings</i> which hinder progress?		
(d) Does the organization run a <i>suggestions scheme</i> to encourage individuals' ideas on increasing productivity?		
30 Is <i>joint consultation</i> practised in ways which allow problems to be dealt with by those employees whose working lives are directly affected?		
(a) Initially to share in deciding the rules and regulations governing the behaviour of individuals in the workplace?		
(b) To sit in judgment on any breaches of these rules?		
(c) To try to exercise some measure of control over absenteeism?		
(d) To share in the continuous campaign for safe working throughout the organization?		
31 Are the techniques of <i>job evaluation</i> and <i>merit-rating</i> used to reward the efforts and talents of individuals?		
32 Are employees interviewed by their departmental heads when they return to work after <i>absence</i> ?		
Are they visited by someone from the organization during periods of absence which last longer than three days?		
33 Is special attention given to the <i>conditions</i> in which individuals work (e.g. environment, types of work, hours)?		
34 Could the social problems of <i>shift working</i> be overcome by adopting a Continental system of shifts?		
35 Have supervisors and managers been trained in an effective procedure for dealing with <i>individual staff problems</i> ?		

Much of what has been advocated above as being good personnel management practice has now been incorporated in the provisions of the TULRA 1974 and 1976, EPA 1975, the EP (Consolidation) Act 1978, and the codes of practice issued by ACAS following all this legislation. Some aspects of the Employment Acts of 1980, 1982 and 1988 and the Trade Union Act 1984 and the Trade Union and Labour Relations (Consolidation) Act 1992 must also be taken into account. It may therefore be said that there is now an 'official view' of good personnel management practice, at least in part, which may be audited in the following manner:

	Yes/No	Action
1 Is it clear which managers are responsible for <i>recruitment</i> ? Are they aware of each individual's rights under current legislation? Do they ensure that each job applicant is informed of his/her rights to belong to a trade union? Do they keep a written record of the reasons for rejecting unsuccessful applicants?		
2 Do <i>contracts of employment</i> provide written notice to all employees of periods of notice? Do they provide full details of holiday entitlements? Do they give each employee in writing the name (or job title) of the person with whom grievances can be raised, and also outline subsequent steps in the formal grievance procedure?		
3 Are specific managers designated with authority to <i>dismiss</i> employees? Are they aware of what constitutes fair dismissal? Does dismissal procedure encompass the following stages: (a) Oral warning? (b) Written warning? (c) Opportunity for an employee to state his/her case, and to be accompanied by his/her trade union representative? (d) Right of appeal to a higher level of management? Are written records of all dismissals kept for at least a year?		
4 Do all your organization's procedural and substantive <i>agreements</i> comply with the terms of the Act? Do they match up to the recommendations of the ACAS code of practice?		
5 Are your organization's policies as regards union <i>recognition</i> and the <i>representation</i> of manual, white-collar, and managerial staffs settled and clear?		
6 Do all voluntary recognition agreements specify precisely the categories of employees they cover? (Great help in the future in forming bargaining units and in avoiding inter-union competition for members.)		
7 Are all employees issued with an <i>annual statement</i> of the organization's activities? Does the information provided conform with Stock Exchange rules? Do you ensure that your own managers receive this information beforehand?		
8 Have you reviewed all existing procedures for the settlement of disputes in the light of the relevant Codes (adherence to which will be important evidence in unfair practices hearings)?		
9 Have you established which union representatives with whom you deal have the <i>authority to call strikes</i> ?		
10 Are your <i>works' rules</i> of conduct up to date, and do they comply with the requirements of the Act?		
11 Are you aware of the facilities available to help settle disputes?		

THE PERSONNEL AUDIT

A. Personnel Policy

- 1 Is there a *general* personnel policy that is endorsed, understood, implemented and up-to-date?
- 2 Are there policies in all the appropriate *specific* areas of personnel activity that are endorsed, understood, implemented and up-to-date?
- 3 Is there a need for any of these policies to be more widely endorsed or distributed?
- 4 Are any new policies needed?

B. Organisation

- 1 Is the overall structure of the organisation appropriate to the current position of the business?
- 2 Is any change needed in any division or department of the business to align it more accurately to the rest of the business or to some recent change in circumstances?
- 3 Do structure and culture match?
- 4 Are there any problems of size, age or setting of the organisational units?
- 5 Are there any problems of individual job definition, operating procedures, span of control, decision-making complexes or integration?

C. Communication

- 1 Are any improvements needed in the formal systems of communications through the business?
- 2 Can the informal systems of communication be made more effective or used more constructively?
- 3 Is the general level of political activity within the organisation satisfactory?
- 4 Can the balance between face-to-face and distance communication (paper and electronic) be improved?

D. Manpower Administration

- 1 Is the current situation in the various labour markets understood?
- 2 Is there a manpower plan to provide a basis for personnel strategy that is related to the corporate plan, that is implemented and under constant review?

- 3 Are there alternative forms of employment contract available to ensure flexibility of staffing?
- 4 Is job analysis used to produce the different types of job description and other job analysis derivatives needed for various applications?
- 5 Does the recruitment procedure provide satisfactory control of establishment numbers, recruitment costs, speed and effectiveness?
- 6 Do any of the selection methods used need alteration?
- 7 Is the safety policy implemented and producing a satisfactory record?
- 8 Does the record of employee sickness absence suggest that there is any organisational factor contributing to this absence that could be overcome?
- 9 Are the procedures for ensuring equality of opportunity within the organisation operating satisfactorily?
- 10 Does monitoring of the equal opportunity procedures show that they are being effective?
- 11 Are the procedures for grievance and discipline operating satisfactorily?
- 12 Is the organisation adequately protected against possible tribunal claims of unfair dismissal?

E. Training and Development

- 1 Are the principles of learning understood within the training function, and is there knowledge about the full range of training methods and resources currently available that might meet the organisation's needs?
- 2 Is training effectiveness evaluated?
- 3 Is access to training facilities by individual employees adequate?
- 4 Is performance appraisal used to enhance current performance?
- 5 Is promotion geared to performance?
- 6 Is training and development providing the personnel at all levels the organisation needs, and is it preparing the personnel the organisation will need in the future?

F. Employee Relations

- 1 Is the present position on trade union recognition satisfactory?**
- 2 Are the present arrangements for employee participation in management decision-making satisfactory?**
- 3 Are the facilities for employee representatives satisfactory?**
- 4 Are the union agreements up-to-date or in need of re-negotiation?**

G. Pay

- 1 Are the wage payment systems and structures satisfactory?**
- 2 Are the systems of salary structure and administration satisfactory?**
- 3 Is there a need for the extension, alteration or reduction of job evaluation?**
- 4 Is the cost of sickness payment adequately controlled?**
- 5 Are pension arrangements satisfactory and satisfactorily administered?**
- 6 Are the arrangements for benefits and incentives worth the money spent on them and satisfactorily administered?**

H. Miscellaneous

- 1 How much general influence does personnel have in the organisation?**
- 2 How much administrative control does personnel have?**
- 3 Is the best use being made of consultants and other external resources?**
- 4 Is the best use being made of the computer and its modelling facility?**
- 5 How socially responsible is the organisation?**
- 6 What are the three most important initiatives you have taken in the last twelve months? Have they been successful?**
- 7 What are the three most important initiatives you will take in the next twelve months? Why will you take them? Will they be successful?**

APPENDIX 3

Initial Plan of Work

Detailed plan of work/Time scale

Stage 1: Literature Review

Goal: To enhance the researchers understanding of the area and to produce a literature based model of possible involvement of Personnel Specialist in the Strategy Formulation Process.

- 1.1. Identification of theoretical models of:
 - Business Strategy
 - HRM Strategy
- 1.2. Development of an integrated model of Business Strategy and Strategic HRM formulation from the existing literature. Criticism of the literature through discrimination in the development of the model.
(Time scale: October 1992-April 1993)
- 1.3. Identification and evaluation of possible areas of involvement of Personnel Specialists in the process of Strategy formulation. This should lead to an opening of the "black-boxes" of the Business Strategy model and the assignment of concrete tasks, roles and activities to each.
(May 1993-July 1993)

Stage 2: Amending the Model

Goal: To expose the theoretical model to practitioners outside the academic field to enhance its relevance to the current Business environment in Scotland.

- 2.1. Amendment and evaluation of the model developed in Stage 1 through exposition to Strategy and HRM consultants as well as interviews with Specialists outside the target industry and in Financial Services outside Scotland. (Discussions and Interviews). This should serve to establish a picture of current problems and HRM issues in Scotland and the industry and result in a model that is suitable for testing.
(August 1993-December 1993)

Stage 3: Primary Data Collection /Census

Goal: To design a questionnaire and identify relevant businesses in Scotland to produce primary data.

- 3.1. Translation of the model into assessable questions, development of questionnaire.
(January 1994)
- 3.2. Identification of target population amongst Scottish businesses using in the first instance FAME (Financial Analysis Made Easy), the Scottish Enterprise data base of companies, and information from Company House, Edinburgh. It is anticipated that the target sector will be Financial Services companies (Banks, Assurances, Fund Managers) who typically employ more than 1.000 people.
(February 1994)
 - 3.2.1. Identification of pilot-study population (similar organisations in England).
(February 1994-March 1994)
- 3.3. It is anticipated that the number of target businesses in Scotland allows a census or incomplete census.
(March 1994- December 1994)

Stage 4: Analysis of results

Goal: To achieve an overall, current picture of the involvement of Personnel Specialists in the Strategy Process.

- 4.1. Analysis of primary data using Minitab, SPSS or SYSTAT.
- 4.2. In several cases in-depth, follow-up interviews are planned.
(January 1995-October 1995)

Stage 5: Conclusions and Recommendations

Goal: To produce publish a report on the research findings and to make a valuable contribution to the knowledge of the current state of the personnel profession and its involvement in overall strategy formulation in the Scottish Financial Services Industry.

- 5.1. Conclusions of research
- 5.2. Generalisations

It is hoped that the dissertation can be written up continuously during the research period, and that interim findings may eventually be offered for publication.

APPENDIX 4

Pilot-study Findings

SUMMARY STATISTICS PILOT SURVEY

Collection of most important data from each section

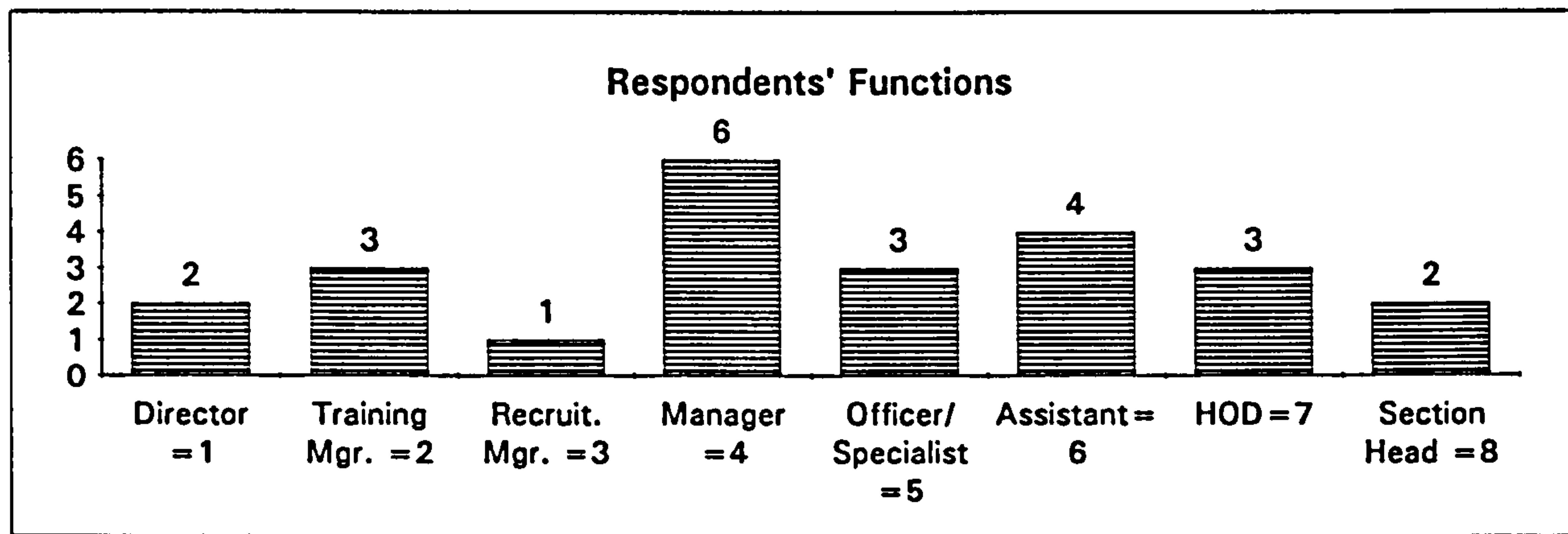
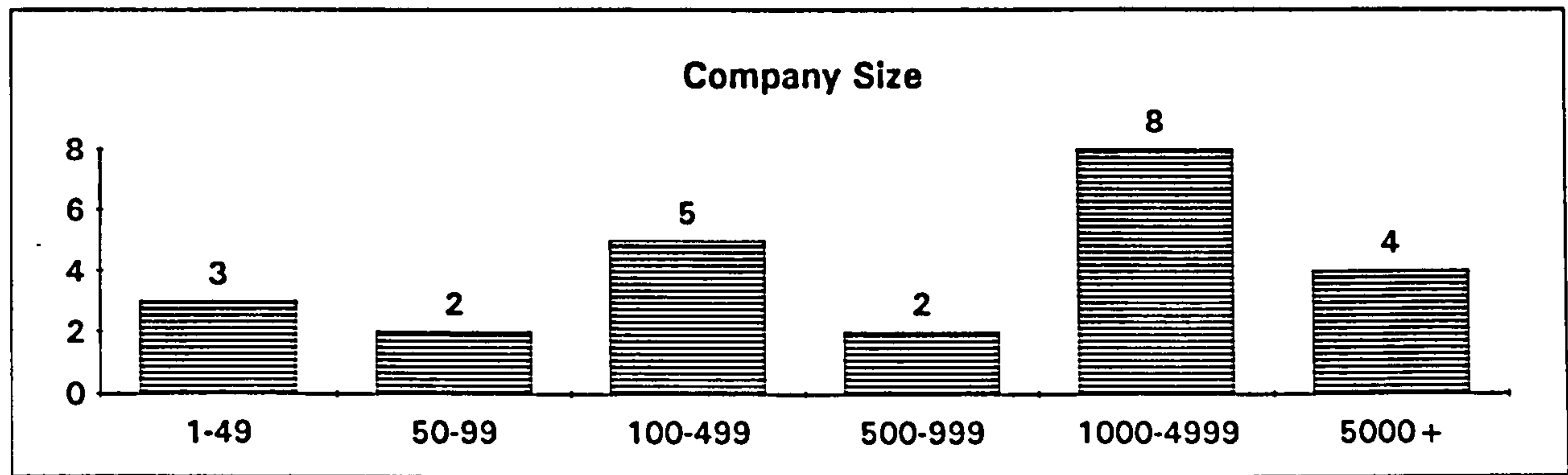
RESPONSE RATE

Questionnaires sent/handed out:	36
Questionnaires returned:	24
Response Rate:	66.67%

COMPANIES IN PILOT SURVEY

Alcan Chemicals	Northumberland Health Authority
Capital Copiers	Norton House Hotel
British Gas Scotland plc	Russel Corp. UK Ltd.
Edinburgh District Council	Scottish Homes, Building Division
Edinvar Housing Association	Scottish Widows
Ethicon Ltd. Edinburgh	Standard Life
Fife Enterprise	The Drambuie Liqueor Co. Ltd.
GEC-Marconi Avionics	The Royal Bank of Scotland plc
HMSO Scotland	United Artists Communications
Kirk Care Housing Association Ltd.	United Distillers plc
Longman Cartermill	Western General Hospital Edinburgh
Lothian Regional Council	Yorkshire Building Society
McQueen Ltd.	

RESPONDENTS' PROFILE



SECTION 1 STRUCTURE OF THE HUMAN RESOURCE FUNCTION

1. HR/Personnel function in organisation?	% of all respondents	
	Yes	100.0%
2. Title of Department?	HR	29.2%
	Personnel	54.2%

	Ind/Empl. Rel	4.2%
	Other	12.5%
3a. Is HOD HR a board member?	Yes	54.2%
5a. HR Strategists in HR department?	Yes	27.3%
6a. Outside consultants employed for strategic issues?	Industrial Rel	4.2%
	Corporate Strat.	4.2%
	Orga. Dev.	4.2%
	HR Strategy	0.0%

SECTION 2 MISSION STATEMENTS

1. Does orga have a Mission Statement (MS)?	Yes, written	79.2%
	Yes, unwritten	8.3%
3. Role of HR in formulating MS?	Involved in some form or other	50.0%
	Not involved	29.2%
4. Seek input from stakeholders?	Some form or other	25.0%
	None	25.0%
5. Which are the stockholders?	Management	33.3%
	Employees	20.8%
	Stockholders	0.0%
	Customers	8.3%
	Unions/Empl. reps.	8.3%
	General public	4.2%
6a. MS formulation formal or informal?	Formal	45.8%
	Informal	25.0%
6b. MS formulation regular or on 'needs' basis?	Regular	50.0%
	Needs' basis	12.5%
7. MS formulation dominated by anyone?	CEO	29.2%
	Operations	16.7%
	HRM	0.0%

SECTION 3 THE ORGANISATIONS EXTERNAL ENVIROMENT

A1. Analyse Economic Factors?	Yes	16.7%
B1. Analyse Social Factors?	Yes	50.0%
C1. Analyse Political Factors?	Yes	37.5%
D1. Analyse Technological Factors?	Yes	50.0%
E1. Analyse Ecological Factors?	Yes	33.3%

SECTION 4 TECHNIQUES APPLIED IN ENVIRONMENTAL ANALYSIS

		Count
1. Where does the data for above analyses come from?	HR function	10
	Other function	14
	Outside Orga	9
	Literature	0
	Don't know	8
	Other	0

SECTION 5 THE ORGANISATION'S INDUSTRY ENVIRONMENT

		<i>% of all respondents</i>	
2. Analyse likelihood of new entrants?	.	Yes	29.2%
3. Analyse development of substitutes?	,	Yes	20.8%
5. Monitor competitors?		Yes	25.0%
6. Develop competitor profiles?		Yes	12.5%
		<i>absolute</i>	
8a. Supplier power?	(1 =very high; 5 =very low)	Mean	2.4
8b. Buyer power?	(1 =very high; 5 =very low)	Mean	2.5
		<i>% of all respondents</i>	
10a. Does HR function have input into customer surveys?		Yes	25.0%
10b. Does the HR function have access to customer info?		Yes	41.7%

SECTION 6 HUMAN RESOURCE SUPPLY

1. Monitor HR supply?		Yes	41.7%
3a. Determine catchment areas?		Yes	8.3%
4. Demographic supply-side trends analysed		Yes	20.8%
5. Educational supply-side trends analysed?		Yes	12.5%
6. Future labour demand analysed?		Yes	12.5%

SECTION 7 HUMAN RESOURCE INVENTORY

1. Break down HR inventory?		Yes	75.0%
5. Ratios generated from HR inventory?		No	8.3%
6. Ratios used to evaluate HR function?		No	83.3%
7. Computerisation of records and ratios		Fully computerised	20.8%
		Computer supported	54.2%
		Manual	16.7%

SECTION 8 ANALYSING THE HRM FUNCTION AND THE ORGANISATION

1. Formal evaluation of HR function?		Yes	45.8%
4. 'Marketing' approach to evaluating HR?		Yes	37.5%

SECTION 9 COMPANY PROFILES

1. HR function creates or contributes to company profile?		Yes	20.8%
3. Prior to formulating strategic actions does the HR function do...		...nothing	62.5%

SECTION 10 FORMULATING BUSINESS AND HUMAN RESOURCE STRATEGIES

1. Does orga have a corporate strategy (CS)?		Yes, written	79.2%
		Yes, unwritten	4.2%

2a. Role of HR in formulating CS?	Involved in some form or other	50.0%
	Not involved	33.3%
	No answer	16.7%
		<i>absolute</i>
3a. HR functions influence on strategic decision making? (1 = Very high; 5 =very low)	Mean	3.00
3b. Influence changed over last three years? (1 = Greatly increased; 5 =greatly decreased)	Mean	2.45
		<i>% of all respondents</i>
5a. Does orga have a HR Strategy?	Yes, written	37.5%
	Yes, unwritten	20.8%
5c. Linkage between HR and CS?	Intrinsic	20.8%
	Influences	0.0%
	Responds	12.5%
	Responds partially	20.8%
	No linkage	0.0%
	No answer	45.8%
6. Role of respondent in formulating HR Strategy	Involved in some form or other	45.8%
	Not involved	8.3%
	No answer	45.8%
8. Describe the HR function in your orga	Administrators	37.5%
	Personnel Managers	37.5%
	HR Managers	4.2%
	Strategic HR Managers	12.5%

SECTION 11 ADDITONAL QUESTIONS ABOUT RESPONDENT

See Respondents' profile

**NAPIER UNIVERSITY
NAPIER BUSINESS SCHOOL
EDINBURGH**

**The roles, responsibilities and activities of Personnel Specialists in the Formulation
of Business and HRM Strategies in the Scottish Financial Services Industry**

Christopher Zorn, MBA

COMMENTS ON ANALYSIS OF PILOT-SURVEY RESPONSES

1. Introduction

The pilot-survey on the integration of corporate and human resource strategies was carried out between mid-December 1993 and the end of February 1994. The total sample size was 36, which represented ca. 25% of the planned main survey. Six members of the sample were contacted by mail and telephone to ensure commitment to completion of the questionnaire. The other 30 were members of the 1993/1994 IPM class at Napier Business School Edinburgh.

Unlike the main survey which will focus exclusively on Directors and senior managers in Scottish Financial Service Institutions, the pilot-survey sample consisted of a random selection of public and private sector organisations in a variety of industries. Although the majority of respondents were managers, directors, section or departmental heads (70.8%) the sample included also non-managerial employees such as Personnel Officers and Assistants (29.2%).

At the cut-off date (28 Feb. 1994) 24 questionnaires were returned, yielding an exact 2/3 or 66.7% response rate.

2. Analysis of Questionnaire Evaluation Form

Attached to the questionnaire was an evaluation form asking respondents about their general impression and whether they would complete the questionnaire, if sent to them unsolicited. Nineteen respondents completed the evaluation form yielding a response rate of 52.8%.

Generally the questionnaire left a positive impression on respondents with three of the five evaluation criteria (Layout and presentation, Structure, Understandability, Length and Content) scoring above average (on a scale of 1 to 5). However, when asked about the length and understanding of the questions, respondents' averages were 2.7 and 2.9 respectively. The average time it took respondents to complete the questionnaire was 24 minutes.

A majority of 12 respondents (63.2%) stated that they would fill in and return the questionnaire if sent to them unsolicited. Although very positive this figure has to be interpreted with caution since the 12 responses represent only 1/3 of the sample and it can be assumed that because of the nature of the sample composition (purposeful) a rather beneficial attitude towards HR research is likely.

The respondents that would not fill in the questionnaire if sent to them unsolicited were then asked about what would make them change their mind. Six stated that a letter explaining the research and survey prior to the questionnaire would help. This will be taken into account for the main survey.

3. Analysis of Pilot-survey Responses

Next, the survey findings will briefly be summarised section by section as they appear on the questionnaire.

3.1 Section 1 Structure of the Human Resource Function

All respondents had a Personnel or Human Resource (HR) function in their organisation. However, the title "Human Resources Department" still proves not to be the most popular denomination of the function, with only 29.2% of organisations applying it. "Personnel Department" (54.2%) still leads by a significant margin. As a logical consequence, a corresponding result was found for the title of the Head of Department (HOD).

Secondly, in just a slight majority of companies the HR HOD is a member of the Executive Board (54.2%). It seems that the need for full HR representation at Board level is still not universally recognised.

Thirdly, the ratios HR staff headcount to employees in organisations turned out to be predominantly in the range of 5-9/1000 employees (45.8%) and 10-19/1000 employees (25.0%).

Within the HR/Personnel department just over a quarter of companies (27.2%) had employees that are mainly concerned with strategic issues. The most likely person for these jobs was the employee/management development manager.

No significant number of companies employed outside consultants for strategic issues.

3.2. Section 2 Corporate Mission

On a positive note, almost 80% of organisations in the sample had a written Mission Statement (MS). More sobering, however, was the role that HR played in formulating the MS. Only 50% of respondents were involved in some form or other with a mere 25% involved right from the outset. The "stakeholder approach" to formulating the MS was partially applied by only 6 companies (25%) with the most popular stakeholders from which input was sought being management.

The formulation of the MS was in 45.8% of cases a rather formal affair with it being carried out or reviewed at least every three years by 50% of all responses. The MS was said to be dominated by the CEO in 29.2% of cases with Operations coming second with 16.7%.

3.3. Section 3 The Organisation's External Environment

Analysing the environment was not very popular with respondents. The results can therefore be reported in a very brief form: Economic Factors analysed - Yes 16.7%, Social Factors analysed - Yes 50.0%, Political Factors analysed - Yes 37.5%, Technological Factors analysed - Yes 50.0% and Ecological Factors analysed - Yes 33.3%.

3.4. Section 4 Techniques applied in External Analysis

With this section serving rather as a control for the previous one and an indicator of the involvement in the actual data collection process the results are not surprising. The data for Economic Factors came exclusively from sources other than the HR department, for Social Factors the HR department supplied data in three cases, for Political Factors, Technological and Ecological Factors in two, three and two cases respectively. Scientific and academic literature was not in a single case cited as a source.

Asked if these analyses were predominantly quantitative or qualitative and structured or unstructured, the replies indicate a rather qualitative but structured approach by respondents. Corresponding to that is a very low computerisation of these analysis. The figures for manual analysis for each of the five factors were 50.0%, 81.8%, 85.7%, 36.4% and 83.3% (Percentages of respondents who do analyse the factors).

There were some problems with the layout of the tick-boxes for the answers. A change of rows and columns from one question to the next seemed to cause some confusion. This will be mended for the main survey.

3.5. Section 5 The Organisation's Industry Environment

The bulk of respondents' companies operate in international markets (37.5%).

The HR function's awareness of what is going on in the Industry environment tended to be rather poor. Only 29.2% analysed the likelihood of new entrants, 20.8% monitored the development of substitute products and services, 25.0% monitored competitors, but only half of those (12.5%) developed Competitor Profiles.

Supplier and Buyer power was rated as being between moderate and high with the average score reaching 2.4 and 2.5 respectively on a scale from 1 = very high to 5 = very low (Figures calculated from 17 and 16 responses to each question).

On the customer front of the Industry environment only 25% of respondents claimed to have input in the design of customer surveys. Even access to customer information is not self-evident for the majority of respondents. Only 41.7% do have access to some kind of customer information.

3.6. Section 6 HR Supply

This section together with the next asks questions about the core activities of the HR function. However, surprisingly only 41.7% of respondents analyse the supply of Human Resources! The analyses of HR supply appeared to be limited to the identification of the relevant labour markets for different kinds of HR. Even there no techniques seemed to be evident since a clear majority of respondents stated that the relevant labour markets are established by either experience or the help of consultants.

Not surprisingly the consequent analyses of catchment areas, educational supply-side trends, and future labour market demand were only analysed by a minority of companies. Demographic supply-side developments claimed to be monitored by 20.8% of all respondents, with unemployment showing to be the most popular at 16.7%.

3.7. Section 7 HR Inventory

A breakdown of the HR inventory was performed by 75.0% of all respondents, however to varying depths. Rather less common are breakdowns by academic qualification and experience amongst the easier to establish criteria as well as suitability for promotion and management potential amongst the more difficult criteria. Readiness to move home and motivation and morale were not included in the personnel files of any of the respondents' companies. A discrepancy appeared between breakdown and inclusion in personnel records in the cases of motivation and morale and motivation and morale.

Only 8.3% of respondents did not calculate any ratios or indices from the accumulated personnel data. On the other hand, 83.3% of companies did not use any of these ratios to evaluate the personnel function.

Lastly, concerning the computerisation of personnel records and ratios/indices, the following picture developed: 20.8% of companies keep records and generate ratios by computer, 54.2% keep records computerised and generate the ratios manually and 8.3% keep records manually and generate ratios by computer as well as 8.3% that both keep and generate manually.

3.8. Section 8 Evaluating the HR Function

In 45.8% of cases the HR function was formally evaluated. The most popular evaluation criteria proved to be the No. of Training programmes held (29.2%), performance against

HR budget (29.2%) and the No. of vacancies filled (25.0%). The time period for evaluation was either one year (20.8%) or one month (12.5%). Positively, of the 11 respondents where an evaluation of the HR function was carried out, in 9 cases a 'marketing approach' for evaluation was applied.

Answers to the question on evaluation of general organisation were unsatisfying, partly due to confusing instructions. Changes will be necessary for the main survey.

3.9. Section 9 Company Profiles

Only one fifth of respondents (20.8%) claimed to contribute to a company profile. When asked if they produced some kind of summary or report prior to making strategic decisions, 62.5% replied that they did nothing.

3.10. Section 10 Formulating Corporate and HR Strategies

In the sample 79.2% of respondents had a written Corporate Strategy (CS) with the planning horizon most likely to be one year (29.2% of cases). Exactly half the respondents were involved in some form or another in the formulation of CS. The HR functions influence on CS was rated as moderate (Mean 3.0) but its influence had rather increased over the last three years (Mean 2.5).

A different picture evolved at the level of HR Strategy. Only 37.5% claimed to have one in written form, but in 20.8% of the cases it existed in unwritten form. Once again the planning horizon was most likely to be one year (29.7%). Surprisingly only 45.8% of respondents claimed to be involved in formulating HR Strategy this time, but the same proportion gave no answer to this question.

The linkage between CS and HR strategy was seen by the bulk of respondents as HR Strategy responding or responding partially to CS (12.5% + 20.8%). However, 20.8% said the linkage was intrinsic and 45.8% did not answer at all.

When asked about the role and self-perception of the HR function the respondents chose the following options: 37.5% saw themselves as administrators, the same percentage as Personnel managers, only 4.2% described themselves as HR Managers and finally 12.5% believed that they were Strategic HR Managers.

3.11. Section 11 Additional Questions about Respondent

The composition of the sample was already commented upon in the introduction. Academic qualifications were rather the exception than the rule amongst personnel specialists with only 33.3% holding a higher education certificate or diploma. In fact only 20.8% held a Bachelors and a mere 4.2% a postgraduate degree.

Finally on career paths of personnel specialists, 29.2% of respondents had always worked in HR/Personnel with the majority coming from other backgrounds.

4. Comments on Findings regarding the underlying Model

Two general findings run straight through all sections: firstly, the still rather low HR representation at Board level and secondly, the lack of strategic awareness amongst Personnel Specialists.

The lack of Board representations is reflected in the rather limited input of the function in the formulation of the Mission Statement and Corporate Strategy and hence the generally moderate influence on the two.

The lack of strategic awareness is reflected in the low proportion of companies that employ HR Strategists and the rather poor results in analysing the external and especially industry environment. Concurrent with that is self-perception of the function as

administrators and personnel managers. It could be said that the function is largely oblivious to what is going on outside the organisation. The lack of Board input may add to this apathy on the industry and external environmental front. But not even the analysis of HR supply appears to attract much attention by the majority of companies.

Even within the organisation the HR function does not seem to have a complete understanding of its own house. More difficult characteristics of the HR inventory are seldom analysed and when it comes to putting HR ratios and indices to use in evaluating the function almost all organisation opt out.

Part of the lethargy may be explained by the surprisingly low rating of buyer and supplier power. Could this be a severe underestimation of increasing competition in world markets or simply another manifestation of ignorance?

5. Conclusions and Implications

All in all the pilot-survey proved to be a useful tool on two counts: One, to iron out any remaining bugs in the design and layout of questions and two, to get a feel for the likely outcome of the main survey.

On a positive note, there appear to be some attempts at a more strategic orientation of HRM but they are still few and far between. Most organisations nowadays possess the three basic elements for a successful integration of Corporate and HR Strategies: Mission Statement, Corporate Strategy (CS) and HR Strategy. However, the impression cannot be avoided that Mission Statement and CS tend to be made with the exclusion of the HR function and that HR Strategy is attached to the organisation's CS. Despite some controversial answers to the linkage between CS and HR Strategy this seems to be the trend.

The negative impression from the survey was the obvious ignorance of environmental reality by the majority of respondents, which was already elaborated above.

An integrated model of HR and Corporate Strategy can most certainly not be derived from these preliminary results. In general, reactivity rather than a proactivity characterises the work of Personnel Specialists in this survey. Maybe there is a wish to be more involved in strategic decisions amongst HR Managers, but as long as they do not do their homework it will remain a wish.

APPENDIX 5

Introductory Letter Main Survey

— N a p i e r
**BUSINESS
SCHOOL**
EDINBURGH —

«Title» «FName» «Name»
«Position»
«Company»
«Address1»
«Address2»
«Town»
«Postcode»

OUR REF.
cz5030/S1I

YOUR REF.

**NAPIER UNIVERSITY RESEARCH PROJECT
ON
THE INTEGRATION OF CORPORATE AND HUMAN RESOURCE STRATEGIES**

Dear «Title» «Name»

28. April 1994

We are writing to invite you to take part in a research project we are conducting into the integration of Human Resource Strategies within Corporate Strategies in Scottish financial services. This survey is part of a Doctoral Research project sponsored by Napier University, with assistance from Scottish Financial Enterprise.

The survey covers all major players in the Scottish financial services sector and your opinions and experience will contribute invaluable towards the development of a current picture of Human Resource involvement in Corporate Strategies. The information you provide will also influence future teaching on Institute of Personnel Management (IPM) courses at Napier University and therefore benefit many people in the profession.

This non-commercial research project is looking at the involvement of HR specialists in strategy formulation at the corporate level. Our aim is to learn more about the current state of integration of SHRM within the wider context of Corporate Strategy, and in how far HR Specialists have picked up or have been allowed to pick up the challenge of involvement in strategic management.

For the purposes of this research we see "Strategic Human Resource Management" (SHRM) as:

The continuous process of systematically selecting, appraising, rewarding and developing people in organisations to the maximum mutual benefit of both organisation and individual in an environment of constant economic, technological, social and political change.

In this sense, SHRM is concerned with integrating the organisation's Human Resources into long-term strategic, corporate plans and goals, as opposed to adhoc initiatives fulfilling momentary Personnel needs.

In/

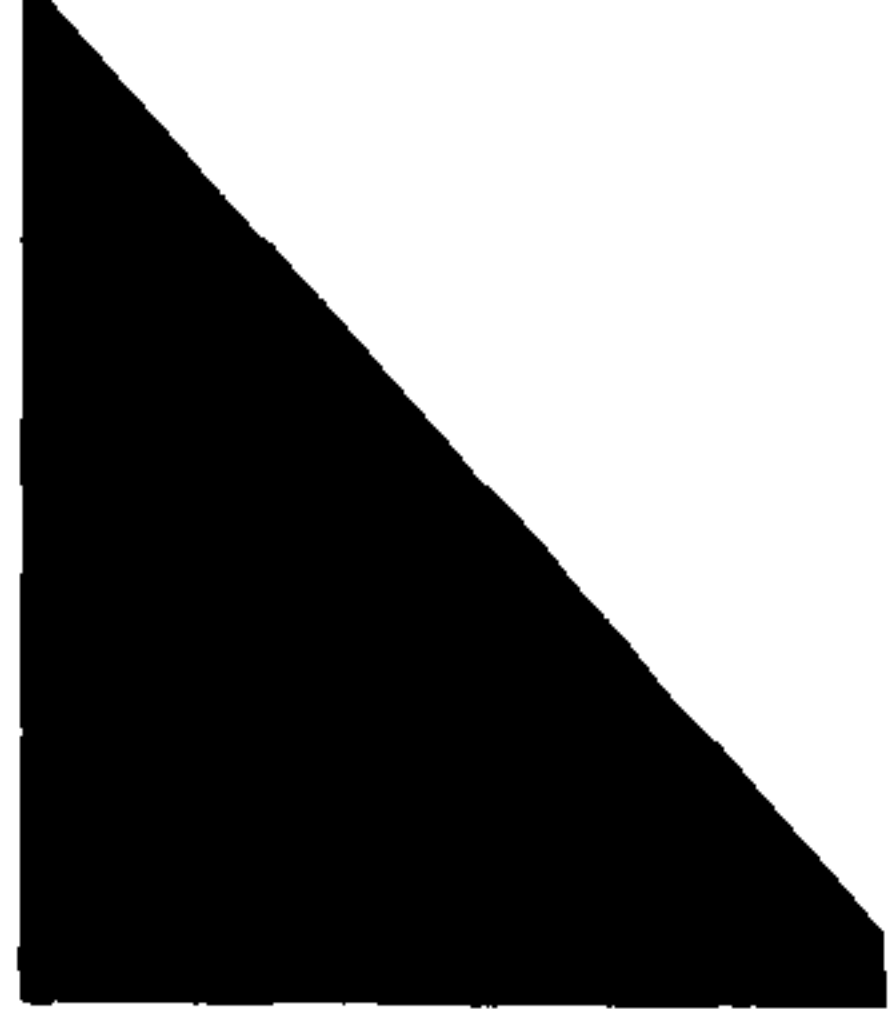
In order to find out more about this highly interesting and relevant area, we would like to send our questionnaire to you within the next week, and hope that you will take the time to complete it and return it to us. You will find that the questions are concerned with the strategic importance of HRM and ask very little about day-to-day routine Personnel issues. They are geared to Directors and Senior Managers and you should find them both stimulating and challenging. Of course, your replies will be completely confidential and nothing will be reported which could be identified with you or your organisation.

We very much hope that you will be able to participate in the survey - your reply will allow the successful completion of this Doctoral Research!

Yours sincerely

Christopher Zorn, MBA
Research Assistant in Management Studies

Mary Wallace, BA MIPM
Senior Lecturer in Management Studies





NAPIER UNIVERSITY

EDINBURGH

N a p i e r
BUSINESS
SCHOOL
EDINBURGH

«Title» «FName» «Name»
«Position»
«Company»
«Address1»
«Address2»
«Town»
«Postcode»

OUR REF.
cz5030/S2CL

YOUR REF.

NAPIER UNIVERSITY RESEARCH PROJECT
ON
THE INTEGRATION OF CORPORATE AND HUMAN RESOURCE STRATEGIES

Dear «Title» «Name»

5. May 1994

Please find enclosed a copy of our questionnaire as we have indicated in our previous letter to you. We hope that you will take the time to complete it and return the questionnaire to us in the enclosed self-addressed envelope.

The questionnaire has been designed for ease-of-use and incorporates questions that let you decide if a section or subsection is applicable to your organisation and circumstances.

Let us stress again that all your replies will be completely confidential and nothing will be reported which could be identified with you or your organisation. Please fill in the respondent section at the end of the questionnaire. When you return the questionnaire this section will be separated immediately and we will know that you have responded to the questionnaire and will not send you the follow-up mailing we will have to send to non-respondents.

We appreciate your willingness to help us in our research effort. As a reward and small incentive for your efforts we can provide you with a copy of the survey results of this first and unique survey on HRM in Scottish financial services. Please indicate this on the last page of the questionnaire.

We believe that you will find our questionnaire both interesting and challenging and look forward to receiving your reply.

Yours sincerely

Christopher Zorn, MBA
Research Assistant in Management Studies

Mary Wallace, BA MPM
Senior Lecturer in Management Studies

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Napier University, Department of Management Studies, Redwood House, 66 Spylaw Road, Edinburgh EH10 5BR
Telephone: 031 444 2266 Department Office: 031 455 5021 Fax: 031 346 8553

RESEARCH



Napier University
Research Project

on

The Integration of
Corporate and Human
Resource Strategies

Questionnaire

NAPIER UNIVERSITY
EDINBURGH

Redwood House, 66 Spylaw Road, Edinburgh EH10 5BR, Tel: (031) 455 5004, Fax: (031) 346 8553

INSTRUCTIONS FOR COMPLETING THE QUESTIONNAIRE

This questionnaire has been designed for ease-of-use and it will take approximately 20 minutes to complete. Most questions can be answered with a simple tick (☒) in the appropriate box. **You may allocate more than one tick to each question.** For all other questions three to four key words are sufficient. However, any additional comments you might like to make would be welcomed.

This questionnaire will be sent to all major organisations in the Scottish Financial Services Community, which includes Banks, Insurers, Fund Managers, Accountants, Corporate Lawyers and many more. The questions are standardised and the same for all participants. **It might be therefore that a question or even a whole section is not directly applicable to your circumstances.**

Both the terms "Human Resources" (HR) and "Personnel" are used. They are meant to carry the same meaning in this questionnaire.

Please answer all questions and fill in the address form at the back of the questionnaire.

THANK YOU VERY MUCH FOR YOUR CO-OPERATION!

I. STRUCTURE OF THE HUMAN RESOURCE FUNCTION

1. Does your organisation have a Human Resource (HR) or Personnel function?

A. Yes ☐1 B. No ☐2

2a. What is the title of the department dealing with HR issues?

A. Human Resources ☐1 C. Industrial Relations ☐3
B. Personnel ☐2 D. Other (Please specify) _____ 4

2b. What is the title of the head of the department dealing with HR issues?

3a. Is the head of the function dealing with HR issues member of your organisation's executive board?

A. Yes ☐1 (If YES, please go to question 4) B. No ☐2

3b. If NO, please indicate who of the board members is responsible for HR issues.

A. CEO ☐1 D. Director of Operations ☐4
B. Finance Director ☐2 E. Director of Administration ☐5
C. Marketing Director ☐3 F. Other (Please specify) _____ 6

4. How many people work in...

A. the HR/Personnel function? _____ B. your organisation? _____

5a. Does the HR department have a section or employees who are mainly concerned with strategic HR issues?

A. Yes ☐1 B. No ☐2 (If NO, please go to question 6a)

5b. If YES, what is this section called or which are the job titles of these specialists?

6a. Have you within the last two years employed outside consultants for advice on strategic HR issues or HR strategies?

A. Yes ☐1 B. No ☐2 (If NO, please go to II. CORPORATE MISSION)

6b. If YES, which particular expertise did you seek from outside consultants that was not present in your HR function?

II. CORPORATE MISSION

1. Does your organisation have a Mission Statement?

A. Yes, written down ☐1 C. No ☐3 (If C or D please go to III. ANALYSING
B. Yes, unwritten ☐2 D. Don't know ☐4 THE ORGANISATION'S EXTERNAL
ENVIRONMENT)

2. If your organisation has a Mission Statement, how is it communicated?

A. By in-house newsletters/communiqué to all employees ☐1
B. As part of employee handbooks ☐2
C. As part of job descriptions ☐3
D. By display in offices and communal places within the organisation ☐4
E. By Managers/Supervisors verbally ☐5

F. Other (Please specify) _____ 6

3. What role did the Human Resource (HR) Function play in the formulation of the Mission Statement?

- A. Leading from the outset ☐1 C. Consulted on specific matters ☐3
B. Involved from the outset ☐2 D. Not involved ☐4 (If D, please go to *question 6a*)

4. If you/the HR Function participated in the formulation of your organisation's Mission Statement, did you prior or during this stage carry out any of the following?

- A. Identification of the HR Function's stakeholders ☐1
B. Identification of stakeholders' claims vis-à-vis the HR Function ☐2
C. Identification of stakeholders' value expectations ☐3
D. None ☐4 (If NONE, please go to *question 6a*)
E. Other (Please specify) _____ 5

5. From which of the following stakeholder groups did you seek input?

- A. Management ☐1 E. Unions/Employee representatives ☐5
B. Employees ☐2 F. General public ☐6
C. Stockholders ☐3 G. Others (Please specify) _____
D. Customers ☐4

6a. Is the formulation of the Mission Statement in your organisation...

- A. ...a formal process? ☐1
B. ...a rather informal process? ☐2 C. Don't know ☐3

6b. Is the formulation...

- A. ...carried out regularly? ☐1 (How often?) _____
B. ...carried out on a 'needs' basis? ☐2 C. Don't know ☐3

7. Would you say that the formulation of your organisation's Corporate Mission Statement is dominated by any of the following persons or functions?

- A. CEO ☐1 E. HRM ☐5
B. Finance ☐2 F. All functions participate equally ☐6
C. Marketing ☐3 G. Other (Please specify) _____ 7
D. Operations ☐4

III. THE ORGANISATION'S EXTERNAL ENVIRONMENT

A. ECONOMIC FACTORS

1. Does the HR function analyse ECONOMIC FACTORS in your organisation's external environment?

- A. Yes ☐1 B. No ☐2 (If NO please go to *B. SOCIAL FACTORS*)

2. If the HR function analyses ECONOMIC FACTORS, which of the following factors are included?

- A. Economic growth/development nationally ☐1
internationally ☐2
B. Interest rates nationally ☐3
internationally ☐4
C. Capital and Credit availability ☐5
D. Consumer Purchasing Power ☐6
E. Other economic factors (Please specify) _____ 7

3. Are the analyses of economic factors carried out on a regular basis?

- A. Yes ☐1 (How often?) _____
B. No ☐2

B. SOCIAL FACTORS

1. Does the HR function analyse **SOCIAL FACTORS** in your organisation's external environment?

- A. Yes ☐1
B. No ☐2 (If NO please go to C. **POLITICAL FACTORS**)

2. If the HR function analyses **SOCIAL FACTORS**, which of the following factors are included?

- A. Social beliefs and values regarding marriage and childbearing ☐1
B. Social beliefs and values regarding work and lifestyle ☐2
C. Social beliefs and values regarding ethics, gender roles and racial equality ☐3
D. Social beliefs and values regarding education and skills ☐4

E. Other social factors (Please specify) _____ 5

3. Are the analyses of social factors carried out on a regular basis?

- A. Yes ☐1 (How often?) _____
B. No ☐2

C. POLITICAL FACTORS

1. Does the HR function analyse **POLITICAL FACTORS** in your organisation's external environment?

- A. Yes ☐1
B. No ☐2 (If NO please go to D. **TECHNOLOGICAL FACTORS**)

2. If the HR function analyses **POLITICAL FACTORS**, which of the following factors are included?

- A. Likelihood of changes in national government ☐1
B. Likelihood in changes in national government policy regarding
 industry co-operation ☐2
 antitrust regulation ☐3
 deregulation ☐4
 taxation, depreciation ☐5
 employment ☐6
 ecology ☐7
 others (Please specify) ☐8 _____
C. Changes in European government policy and legislation ☐9
D. Changes in international government policy and legislation ☐10

E. Other political factors (Please specify) _____ 11

3. Are the analyses of political factors carried out on a regular basis?

- A. Yes ☐1 (How often?) _____
B. No ☐2

D. TECHNOLOGICAL FACTORS

1. Does the HR function analyse **TECHNOLOGICAL FACTORS** in your organisation's external environment?

- A. Yes ☐1
B. No ☐2 (If NO please go to E. **ECOLOGICAL FACTORS**)

2. If the HR function analyses **TECHNOLOGICAL FACTORS**, which of the following factors are included?

- A. Current state of the art in technology relevant to the organisation's business ☐1
B. New technologies available in the foreseeable future ☐2
C. Impact of new technologies on the organisation ☐3
D. Impact of new technologies on social values and behaviours ☐4

E. Other technological factors (Please specify) _____ 5

3. Are the analyses of technological factors carried out on a regular basis?

- A. Yes ☐1 (How often?) _____
 B. No ☐2

E. ECOLOGICAL FACTORS

1. Does the HR function analyse **ECOLOGICAL FACTORS** in your organisation's external environment?

- A. Yes ☐1
 B. No ☐2 (If NO please go to IV. **TECHNIQUES APPLIED IN EXTERNAL ANALYSIS**)

2. If the HR function analyses **ECOLOGICAL FACTORS**, which of the following factors are included?

- A. Current ecological issues and attitudes ☐1
 B. Future environmental legislation ☐2
 C. Strictness of enforcement of environmental legislation ☐3
 D. Threats of natural or pollution-caused disasters to firm, employees, customers and facilities ☐4

E. Other ecological factors (Please specify) _____ 5

3. Are the analyses of ecological factors carried out on a regular basis?

- A. Yes ☐1 (How often?) _____
 B. No ☐2

IV. TECHNIQUES APPLIED IN EXTERNAL ANALYSES

If the HR function does not analyse any of the factors mentioned above under Section III., please go to V. **THE ORGANISATION'S INDUSTRY ENVIRONMENT**.

1. Where does the data for the above analyses of your organisation's external factors **predominantly** come from? (Please, one tick per row only!)

	Generated by HR function	Generated by other function	Generated outside the organisa- tion	Academic/ Scientific literature	Don't know	Other (Please specify)
A. Economic Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6 _____
B. Social Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6 _____
C. Political Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6 _____
D. Technological Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6 _____
E. Ecological Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4	<input type="checkbox"/> 5	<input type="checkbox"/> 6 _____

2a. Are these analyses...

2b. Are these analyses...

(Please, one tick per row for question 2a and 2b only)

	A. ...predominantly <u>quantitative</u> (Eco- nometric-, Regres- sion-, Time series models)?	B. ...predominantly <u>qualitative</u> (Brain- storming, Discus- sions, etc.)?	A. ...carried out in a <u>systematic</u> and <u>reproducible</u> way?	B. ...carried out in a rather <u>ad hoc</u> and <u>unstructured</u> way?
A. Economic Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 2
B. Social Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 2
C. Political Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 2
D. Technological Factors	<input type="checkbox"/> 3	<input type="checkbox"/> 3	<input type="checkbox"/> 1	<input type="checkbox"/> 2
E. Ecological Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 1	<input type="checkbox"/> 2

3. Do you use computers for analyses of factors in the organisation's external environment? (Please, one tick per row only!)

	Yes, fully computer-based	Yes, computer supported	No	Don't know
A. Economic Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
B. Social Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
C. Political Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
D. Technological Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4
E. Ecological Factors	<input type="checkbox"/> 1	<input type="checkbox"/> 2	<input type="checkbox"/> 3	<input type="checkbox"/> 4

V. THE ORGANISATION'S INDUSTRY ENVIRONMENT

1. In which geographical markets does your organisation compete?

- | | | | | | |
|-------------|----------------------------|-------------|----------------------------|------------------|----------------------------|
| A. Local | <input type="checkbox"/> 1 | C. National | <input type="checkbox"/> 3 | E. International | <input type="checkbox"/> 5 |
| B. Regional | <input type="checkbox"/> 2 | D. Europe | <input type="checkbox"/> 4 | F. Don't know | <input type="checkbox"/> 6 |

2. Does the HR function analyse the likelihood of new entrants into your markets and the possible impacts on your organisation's Human Resources?

- A. Yes ☐1 B. No ☐2

3. What would you consider as the main barrier to new entrants into your industry? (Please, one tick only)

- | | | | |
|--|----------------------------|------------------------------------|----------------------------|
| A. Economies of Scale | <input type="checkbox"/> 1 | E. Access to distribution channels | <input type="checkbox"/> 5 |
| B. Product differentiation/Brand loyalty | <input type="checkbox"/> 2 | F. Government policy | <input type="checkbox"/> 6 |
| C. Capital requirements | <input type="checkbox"/> 3 | G. Don't know | <input type="checkbox"/> 7 |
| D. Cost disadvantages for new entrants | <input type="checkbox"/> 4 | | |

H. Other entry barriers (Please specify) _____ 8

4. Does the HR function monitor the development of substitutes to your company's products and services?

- A. Yes ☐1 B. No ☐2

5. Does the HR function monitor competitors in your industry?

- A. Yes ☐1 B. No ☐2 (If NO, please go to **question 8.**)

6. If YES, which factors do you pay particular attention to?

- | | | | |
|------------------------------------|----------------------------|--------------------|----------------------------|
| A. Market Share | <input type="checkbox"/> 1 | E. Experience | <input type="checkbox"/> 5 |
| B. Breadth of product/service line | <input type="checkbox"/> 2 | F. Technology | <input type="checkbox"/> 6 |
| C. Price competitiveness | <input type="checkbox"/> 3 | G. Human Resources | <input type="checkbox"/> 7 |
| D. Financial position | <input type="checkbox"/> 4 | | |

H. Other factors (Please specify) _____ 8

- 7a. Do you develop Competitor Profiles in your function?

- A. Yes ☐1 B. No ☐2

- 7b. If YES, which factors do you include to determine your and your competitors' competitive positions?

- | | |
|----------|----------|
| A. _____ | D. _____ |
| B. _____ | E. _____ |
| C. _____ | F. _____ |

8. How would you rate Supplier and Buyer Power in your organisation's industry?

- | | very high | high | moderate | low | very low | Don't know |
|-----------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Suppliers | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 | <input type="checkbox"/> 6 |
| Buyers | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 | <input type="checkbox"/> 6 |

9. Does Supplier and Buyer Power have any influence on the following HR areas in your organisation?

- | | | | |
|-----------------------------|----------------------------|---------------|----------------------------|
| A. Training and Development | <input type="checkbox"/> 1 | D. Job design | <input type="checkbox"/> 4 |
| B. Recruitment | <input type="checkbox"/> 2 | E. No impact | <input type="checkbox"/> 5 |
| C. Remuneration | <input type="checkbox"/> 3 | F. Don't know | <input type="checkbox"/> 6 |

G. Other (Please specify) _____ 7

10a. Does the HR function have any input into the design of customer/client surveys?

- A. Yes ☐1 B. No ☐2

10b. Do the HR function have access to any of the following information that reveals socio-demographic characteristics of your clientele?

- | | | | |
|--------------------------------|----------------------------|--|----------------------------|
| A. Customer/client information | <input type="checkbox"/> 1 | C. Results of Customer/client surveys | <input type="checkbox"/> 3 |
| B. Customer/client profiles | <input type="checkbox"/> 2 | D. No access to such kind of information | <input type="checkbox"/> 4 |

10c. If you have access to customer information, do you use this for any of the following?

- | | |
|--|----------------------------|
| A. Breakdown of customer/client profiles by operating unit | <input type="checkbox"/> 1 |
| B. Determination of quantitative staffing levels | <input type="checkbox"/> 2 |
| C. Determination of qualitative staffing levels | <input type="checkbox"/> 3 |
| D. Analyses of customer/client base changes | <input type="checkbox"/> 4 |
| E. Don't know | <input type="checkbox"/> 5 |

F. Other (Please specify) _____ 6

10d. Do the analyses of customer/client information directly influence any of the following HR areas?

- | | | | |
|-----------------------------|----------------------------|---------------|----------------------------|
| A. Training and Development | <input type="checkbox"/> 1 | E. Appraisal | <input type="checkbox"/> 5 |
| B. Recruitment | <input type="checkbox"/> 2 | F. No impact | <input type="checkbox"/> 6 |
| C. Job design | <input type="checkbox"/> 3 | G. Don't know | <input type="checkbox"/> 7 |
| D. Remuneration | <input type="checkbox"/> 4 | | |

H. Other (Please specify) _____ 8

VI. HUMAN RESOURCE SUPPLY

1. Do you monitor and analyse the supply of Human Resources from international/national/regional/local labour markets?

- A. Yes ☐1 B. No ☐2 (If NO, please go to VII. HUMAN RESOURCE INVENTORY)

2a. Which are your organisation's relevant labour markets for the following human resources?

- | | International | National | Regional | Local | Don't know/
Not analysed |
|----------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| A. Senior management | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| B. Middle management | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| C. Junior management | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| D. Clerical staff | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |
| E. Technical staff | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 | <input type="checkbox"/> 5 |

2b. At which level in your organisation are the relevant labour markets identified?

- | | Corporate Level | Business Level | Operational Level | Don't know/
Not analysed |
|----------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| A. Senior management | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| B. Middle management | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| C. Junior management | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| D. Clerical staff | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |
| E. Technical staff | <input type="checkbox"/> 1 | <input type="checkbox"/> 2 | <input type="checkbox"/> 3 | <input type="checkbox"/> 4 |

2c. Please briefly describe how you determine which labour markets are relevant to your organisation? Which analyses do you carry out?

3a. Do you determine and analyse your organisation's catchment areas (i.e. where do/did your employees live after/before joining your company) to determine, for example, groups with higher mobility or underrepresented areas?

- A. Yes ☐1 D. Don't know ☐3
B. No ☐2

3b. If YES, which analyses do you carry out?

- A. Mobility ☐1 C. Other (Please specify) _____ 3
B. Underrepresentation ☐2

4. Which demographic supply-side trends in your catchment labour force are regularly established?

- A. Size of population and its rate of growth ☐1
B. Proportion of people in any age group in, or looking for, work ☐2
C. Net impact of commuting ☐3
D. Overall unemployment ☐4
E. None/Don't know ☐5
F. Others (Please specify) _____ 6

5. Which education supply-side trends in the catchment labour force are regularly established?

- A. Number of fifth/sixth-form students in schools ☐1
B. Exam results by relevant levels and subjects ☐2
C. School leaver destinations ☐3
D. Graduation figures/subjects from institutions of higher education ☐4
E. None/Don't know ☐5
F. Others (Please specify) _____ 6

6. Which of the following factors of future labour demand in your catchment area for skills relevant to your business are regularly monitored?

- A. Likely company relocations to your catchment areas ☐1
B. Empty office space ready for use ☐2
C. Speculative, planned office space ☐3
D. Demand by other companies in your catchment areas ☐4
E. None/Don't know ☐5
F. Others (Please specify) _____ 6

7a. How often are the supply-side trends analysed?

- | | Demo-
graphic | Educa-
tional | | Demo-
graphic | Educa-
tional |
|------------------|----------------------------|----------------------------|---------------------------|----------------------------|----------------------------|
| A. Monthly | <input type="checkbox"/> 1 | <input type="checkbox"/> 1 | E. Annually | <input type="checkbox"/> 5 | <input type="checkbox"/> 5 |
| B. Two-monthly | <input type="checkbox"/> 2 | <input type="checkbox"/> 2 | F. Never/Don't know | <input type="checkbox"/> 6 | <input type="checkbox"/> 6 |
| C. Quarterly | <input type="checkbox"/> 3 | <input type="checkbox"/> 3 | G. Other (Please specify) | <input type="checkbox"/> 8 | <input type="checkbox"/> 8 |
| D. Semi-annually | <input type="checkbox"/> 4 | <input type="checkbox"/> 4 | | | |

7b. *How long is the planning/forecast horizon?*

	Demo- graphic	Educa- tional		Demo- graphic	Educa- tional
A. One month	<input type="checkbox"/> 1	<input type="checkbox"/> 1	E. Three years	<input type="checkbox"/> 5	<input type="checkbox"/> 5
B. Three months	<input type="checkbox"/> 2	<input type="checkbox"/> 2	F. Five years	<input type="checkbox"/> 6	<input type="checkbox"/> 6
C. Six months	<input type="checkbox"/> 3	<input type="checkbox"/> 3	G. Never/Don't know	<input type="checkbox"/> 7	<input type="checkbox"/> 7
D. One year	<input type="checkbox"/> 4	<input type="checkbox"/> 4	H. Other (Please specify)	<input type="checkbox"/> 8	<input type="checkbox"/> 8

8. *Do you use computers for these analyses?*

A. Yes, fully computer based	<input type="checkbox"/> 1	C. No	<input type="checkbox"/> 3
B. Yes, computer supported	<input type="checkbox"/> 2	D. Don't know	<input type="checkbox"/> 4

9. *Which forecasting techniques do you use?*

Quantitative Techniques/Causal Models

Qualitative Techniques

A. Econometric models	<input type="checkbox"/> 1	E. Sales force estimates	<input type="checkbox"/> 5
B. Single and multiple regressions	<input type="checkbox"/> 2	F. Juries of executive opinion	<input type="checkbox"/> 6
C. Time series analysis	<input type="checkbox"/> 3	G. Customer surveys and market research	<input type="checkbox"/> 7
D. Trend extrapolation	<input type="checkbox"/> 4	H. Scenario development	<input type="checkbox"/> 8
		I. Delphi method	<input type="checkbox"/> 9
		J. Brainstorming	<input type="checkbox"/> 10

K. Others (Please specify) _____ 11

VII. HUMAN RESOURCE INVENTORY

1. *Do you break down your organisation's Human Resource inventory?*

A. Yes	<input type="checkbox"/> 1	B. No	<input type="checkbox"/> 2 (If NO, please go to <i>question 4</i>)
--------	----------------------------	-------	---

2. *If YES, which of the following criteria do you use to break down the total HR inventory?*

A. By grade	<input type="checkbox"/> 1	F. By length of service	<input type="checkbox"/> 6
B. By operating unit	<input type="checkbox"/> 2	G. By age	<input type="checkbox"/> 7
C. By location	<input type="checkbox"/> 3	H. By academic qualifications	<input type="checkbox"/> 8
D. By gender	<input type="checkbox"/> 4	I. By experience	<input type="checkbox"/> 9
E. By working hours (F/T; P/T)	<input type="checkbox"/> 5		

J. Other criteria (Please specify) _____ 10

3. *Do you attempt a breakdown of the HR inventory by the following, more difficult to establish criteria?*

A. Readiness to move home	<input type="checkbox"/> 1	D. Management potential	<input type="checkbox"/> 4
B. Motivation and morale	<input type="checkbox"/> 2	E. Don't know	<input type="checkbox"/> 5
C. Suitability for promotion	<input type="checkbox"/> 3	F. No	<input type="checkbox"/> 6

4. *In addition to basic personal data which information do you include in employee records?*

A. Past and present pay details	<input type="checkbox"/> 1	G. Readiness to move home	<input type="checkbox"/> 7
B. Absence records	<input type="checkbox"/> 2	H. Motivation and morale	<input type="checkbox"/> 8
C. Accident records	<input type="checkbox"/> 3	I. Suitability for promotion	<input type="checkbox"/> 9
D. Formal education	<input type="checkbox"/> 4	J. Management Potential	<input type="checkbox"/> 10
E. Qualifications and skills	<input type="checkbox"/> 5	K. Performance appraisals	<input type="checkbox"/> 11
F. Training record	<input type="checkbox"/> 6	L. Leaving details and reasons	<input type="checkbox"/> 12

M. Other data (Please specify) _____ 13

5. Which ratios/indices do you generate from the accumulated employee data?

- | | | | |
|---------------------------------|----------------------------|---|-----------------------------|
| A. Profit per employee | <input type="checkbox"/> 1 | I. Absenteeism costs | <input type="checkbox"/> 9 |
| B. Turnover per employee | <input type="checkbox"/> 2 | J. Support costs (Canteen, Clubs etc.) per capita | <input type="checkbox"/> 10 |
| C. Turnover per HR expenditure | <input type="checkbox"/> 3 | K. Overtime to basic pay ratio | <input type="checkbox"/> 11 |
| D. Average HR expenditure | <input type="checkbox"/> 4 | L. Training costs per capita | <input type="checkbox"/> 12 |
| E. Annual labour turnover rates | <input type="checkbox"/> 5 | M. Leaving costs (turnover, redundancy) | <input type="checkbox"/> 13 |
| F. Stability rates | <input type="checkbox"/> 6 | N. Recruitment cost per capita | <input type="checkbox"/> 14 |
| G. Absence Incidence Rates | <input type="checkbox"/> 7 | O. Don't know | <input type="checkbox"/> 15 |
| H. Accident rates | <input type="checkbox"/> 8 | P. None | <input type="checkbox"/> 16 |

Q. Other ratios (Please specify) _____ 17

6. Are any of the above ratios used to evaluate the efficiency/effectiveness of the HR function?

- A. Yes ☐1 B. No ☐2

If YES, would you please indicate the ratio(s) by their letter in Question 5 (e.g. Profit per employee = 'A')

7. How are employee records kept and ratios generated?

- A. Records and ratios are computer-based ☐1
 B. Records computerised, ratios manually generated ☐2
 C. Records manually kept, ratios computer-based ☐3
 D. Records and ratios kept and generated manually ☐4

VIII. ANALYSING THE HRM FUNCTION AND THE ORGANISATION

1. Is there a formal evaluation of the HRM function in your organisation?

- A. Yes ☐1 C. Don't know ☐3
 B. No ☐2 D. No HR function ☐4 (If B, C or D, please go to question 5)

2. If YES, which of the following criteria are used to evaluate the HR function?

- A. Ratio of of HR department headcount to population served ☐1
 B. HR function costs per employee ☐2
 C. Number of vacancies filled ☐3
 D. Number of training programmes held per year ☐4
 E. HR budget performance ☐5
 F. Affirmative action accomplishments ☐6
 G. Target/milestone achievement ☐7

H. Other criteria (Please specify) _____ 8

3. How often is the HR function evaluated?

- A. Monthly ☐1 C. Annually ☐3
 B. Semiannually ☐2 D. Other (Please specify) _____ 4

4. Does your organisation have a 'marketing approach' to evaluating the HR function, i.e. do you seek feedback from your 'customers' on your performance?

- A. On quickness in response ☐1
 B. On proactivity and innovativeness ☐2
 C. On friendliness and availability of staff ☐3
 D. On competence of HR staff ☐4
 E. On general customer satisfaction ☐5
 F. Don't know ☐6
 G. No ☐7

H. Other (Please specify) _____ 8

5. Are you carrying out analyses in the following areas of general organisation to determine potential strengths or weaknesses your company may have in comparison to competitors?

- | | | | |
|--|----------------------------|---------------|----------------------------|
| A. Image and prestige of the organisation | <input type="checkbox"/> 1 | D. Don't know | <input type="checkbox"/> 4 |
| B. Organisational structure and the control-
and decision complex | <input type="checkbox"/> 2 | E. No | <input type="checkbox"/> 5 |
| C. Internal communication channels and procedures | <input type="checkbox"/> 3 | | |

IX. COMPANY PROFILES

1. Does the HR function create or contribute to a Company Profile for your organisation which analyses different key success factors?

- | | | | |
|--------|----------------------------|---------------|---|
| A. Yes | <input type="checkbox"/> 1 | C. Don't know | <input type="checkbox"/> 3 (If B or C, please go to <i>question 3</i>) |
| B. No | <input type="checkbox"/> 2 | | |

2. If YES, what do you compare the Company Profile to?

- | | | | |
|------------------------|----------------------------|---------------------------------------|----------------------------|
| A. Competitors | <input type="checkbox"/> 1 | D. Industry (international) | <input type="checkbox"/> 4 |
| B. Industry (regional) | <input type="checkbox"/> 2 | E. Stages of product/market evolution | <input type="checkbox"/> 5 |
| C. Industry (national) | <input type="checkbox"/> 3 | F. No comparisons made | <input type="checkbox"/> 6 |

G. Other (Please specify) _____ 7

3. Prior to formulating strategic courses of action, do you...

- | | |
|---|----------------------------|
| A. produce a report of the external and internal analyses? | <input type="checkbox"/> 1 |
| B. combine internal and external analyses? | <input type="checkbox"/> 2 |
| C. construct a matrix of all external influences on the
organisation and their interrelationships? | <input type="checkbox"/> 3 |
| D. summarize the findings of environmental analyses? | <input type="checkbox"/> 4 |
| E. produce no summaries or conclusions? | <input type="checkbox"/> 5 |

F. use other tools? (Please specify) _____ 6

X. FORMULATING BUSINESS- AND HUMAN RESOURCE STRATEGIES

1a. Does your organisation have a corporate strategy, a business strategy or a strategic plan? Is it written down?

- | | | | |
|----------------------|----------------------------|---------------|---|
| A. Yes, written down | <input type="checkbox"/> 1 | C. No | <input type="checkbox"/> 3 (If C or D please go to <i>question 5a</i>) |
| B. Yes, unwritten | <input type="checkbox"/> 2 | D. Don't know | <input type="checkbox"/> 4 |

1b. If YES, how long is the planning horizon?

- | | | | |
|----------------|----------------------------|---------------------------|----------------------------|
| A. One year | <input type="checkbox"/> 1 | D. Five years | <input type="checkbox"/> 4 |
| B. Two years | <input type="checkbox"/> 2 | E. Ten years | <input type="checkbox"/> 5 |
| C. Three years | <input type="checkbox"/> 3 | F. Other (Please specify) | _____ 6 |

2a. What is YOUR role in the actual process of formulating grand- and business strategies (i.e. the overall corporate strategy, the strategic plan, corporate objectives, etc.)

- | | | | |
|-----------------------|----------------------------|--|----------------------------|
| A. Leader/Chairperson | <input type="checkbox"/> 1 | D. Involved in preparations for head of function | <input type="checkbox"/> 4 |
| B. Participant | <input type="checkbox"/> 2 | E. Involved in preparations | <input type="checkbox"/> 5 |
| C. Advisor | <input type="checkbox"/> 3 | F. Not involved | <input type="checkbox"/> 6 |

G. Other (Please specify) _____ 7

2b. If the HR function is NOT involved in formulating grand- and business strategies, do you know who represents HR issues?

- | | | | |
|--------------|----------------------------|--------------------|---|
| A. CEO | <input type="checkbox"/> 1 | D. Operations | <input type="checkbox"/> 4 |
| B. Finance | <input type="checkbox"/> 2 | E. Not represented | <input type="checkbox"/> 5 |
| C. Marketing | <input type="checkbox"/> 3 | F. Other | <input type="checkbox"/> 6 (Please specify) _____ |

3a. How would you rate the HR function's influence on the strategic decision-making process at the grand- or business strategy level?

very high high moderate low very low
☐1 ☐2 ☐3 ☐4 ☐5

3b. Has this influence changed in the last three years? Has it...

greatly increased increased not changed decreased greatly decreased
☐1 ☐2 ☐3 ☐4 ☐5

4. Would you describe the strategic decision-making process at the grand- or business strategy level in your organisation as a political or a rational process?

highly political political balanced rational highly rational
☐1 ☐2 ☐3 ☐4 ☐5

5a. Does your organisation have a Human Resource strategy, i.e. an overall strategy which integrates the organisation's various HR policies? Is it written down?

A. Yes, written down ☐1 C. No ☐3 (If C or D, please go to question 8)
B. Yes, unwritten ☐2 D. Don't know ☐4

5b. If YES, how long is the planning horizon?

A. One year ☐1 D. Five years ☐4
B. Two years ☐2 E. Ten years ☐5
C. Three years ☐3 F. Other (Please specify)6 _____

5c. How would you describe the linkage between the HR strategy and the business strategy in your organisation?

A. HR strategy is intrinsically linked to business strategy ☐1
B. HR strategy influences and responds to business strategy ☐2
C. HR strategy responds to business strategy ☐3
D. HR strategy responds to some aspects of business strategy ☐4
E. No linkage ☐5

6. What is YOUR role in formulating Human Resource strategies?

A. Leader/Chairperson ☐1 D. Involved in preparations for head of function ☐4
B. Participant ☐2 E. Involved in preparations ☐5
C. Advisor ☐3 F. Not involved ☐6

G. Other (Please specify) _____ 7

7. Which elements or aspects of HRM are incorporated in the HR strategy?

A. Recruitment ☐1 F. Remuneration ☐6
B. Selection ☐2 G. HR planning ☐7
C. Training and Development ☐3 H. Employee relations ☐8
D. Career planning ☐4 I. Other (Please specify)9 _____
E. Appraisal ☐5

8. How would you describe the role of the HR function in your organisation? Please tick the one which best matches the main role of the function.

A. The HR function is concerned with the efficient administration of employee records, the preparation of statistics and the minimising of employee relations conflicts, grievances and disputes. ☐1
B. The HR function is concerned with providing effective recruitment and selection, training and development, employee relations and remuneration strategies. It is staffed by specialists with high expertise in these areas. ☐2

- C. The HR function emphasises the value of the individual in the organisation and has policies and practices which ensure that individual talent is developed and maximised. Communication, consultation and involvement are emphasised. It is well integrated into the business and valued by the line manager. ☐3
- D. The HR function is closely integrated with the business needs of the organisation and people are seen as a valuable resource. A range of sophisticated systems, including HR planning operate and are linked to strategic planning. The function is staffed by specialists and generalists providing services and advice to its customers. ☐4
- E. None of the above applies. Please describe briefly the main role of the function below. 5

XI. ADDITIONAL QUESTIONS ABOUT RESPONDENT

1. *What is your official job title?*

2. *What is your function within your department?*

- | | | | | | |
|-----------------------|----------------------------|---------------------------|----------------------------|-------------|---|
| A. Director | <input type="checkbox"/> 1 | C. Manager | <input type="checkbox"/> 3 | Which area? | |
| B. Head of Department | <input type="checkbox"/> 2 | D. Other (Please specify) | | | 4 |

3. *What is your highest academic qualification?*

- | | | | | | |
|-------------|----------------------------|---------------------|----------------------------|----------|--|
| A. O-Levels | <input type="checkbox"/> 1 | E. Bachelors Degree | <input type="checkbox"/> 5 | Subject? | |
| B. A-Levels | <input type="checkbox"/> 2 | F. Masters Degree | <input type="checkbox"/> 6 | Subject? | |
| C. HNC/HND | <input type="checkbox"/> 3 | G. Doctorate | <input type="checkbox"/> 7 | Subject? | |
| D. MBA | <input type="checkbox"/> 4 | | | | |

4. *Do you hold any professional qualifications?*

- | | | | |
|------------|----------------------------|---|---|
| A. GradIPM | <input type="checkbox"/> 1 | D. Other(s) <input type="checkbox"/> (Please specify) | |
| B. MIPM | <input type="checkbox"/> 2 | | |
| C. FIPM | <input type="checkbox"/> 3 | | 4 |

5. *Have you worked outside the HR function prior to your present employment?*

- | | | | | |
|---------------|----------------------------|---------------------------|----------------------------|---|
| A. Finance | <input type="checkbox"/> 1 | D. Corporate Strategy | <input type="checkbox"/> 4 | |
| B. Marketing | <input type="checkbox"/> 2 | E. Always worked in HR | <input type="checkbox"/> 5 | |
| C. Operations | <input type="checkbox"/> 3 | F. Other (Please specify) | | 6 |

6. *Have you worked in another industry than financial services prior to your present employment?*

- | | | | | |
|---------------------|----------------------------|--|----------------------------|---|
| A. Manufacturing | <input type="checkbox"/> 1 | D. Mining/Ore extraction | <input type="checkbox"/> 4 | |
| B. Retail/Wholesale | <input type="checkbox"/> 2 | E. Always worked in financial services | <input type="checkbox"/> 5 | |
| C. Civil Service | <input type="checkbox"/> 3 | F. Other (Please specify) | | 6 |

**THANK YOU VERY MUCH
FOR YOUR VALUABLE CONTRIBUTIONS TO RESEARCH
ON
STRATEGIC HUMAN RESOURCE MANAGEMENT!**

If you completed the questionnaire and are interested in the findings of this survey please indicate so in the address area below. All your replies are completely confidential and the address slip will be separated immediately upon return of the questionnaire you will not receive the follow-up mailing for nonrespondents. If you wish, you can cut off the slip yourself and mail it separately.

✂ -----

Cut here (Suitable for windowed envelope)

Dr/Mr/Mrs/Ms

Name: _____

Organisation:

Address: _____

CHRISTOPHER ZORN, MBA
Napier Business School
NAPIER UNIVERSITY
Redwood House
66 Spylaw Road
EDINBURGH
EH10 5BR

I would like a copy of the survey findings

☐

APPENDIX 7

Reminder Postcard Main Survey

**NAPIER UNIVERSITY RESEARCH PROJECT
ON
THE INTEGRATION OF CORPORATE AND HUMAN RESOURCE STRATEGIES**

JUST A QUICK REMINDER....

We are still waiting for your questionnaire.

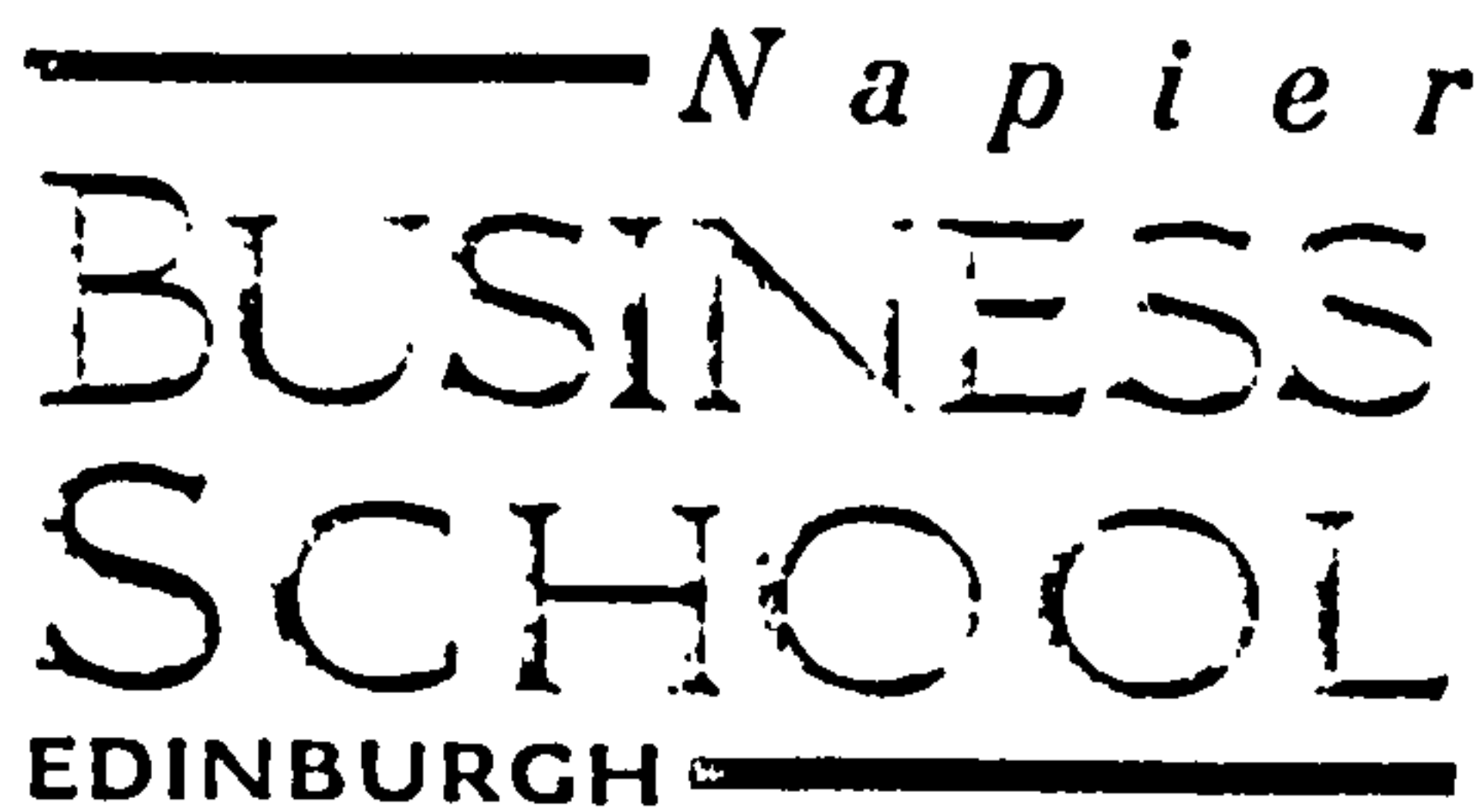
*So why not reflect on this week's activities and fill it
in? It won't take long and will help us in our
research!*

Thanks very much!

**Christopher Zorn
Research Assistant in Management Studies**

APPENDIX 8

Reminder Letter Main Survey



«Anrede» «FirstName» «HRDirector»
«Title»
«Company»
«Address1»
«Address2»
«Town»
«Postcode»

OUR REF.
cz5030/S3R1

YOUR REF.

**NAPIER UNIVERSITY RESEARCH PROJECT
ON
THE INTEGRATION OF CORPORATE AND HUMAN RESOURCE STRATEGIES**

Dear «Anrede» «HRDirector»

5 August, 1994

A few weeks ago we invited you to participate in our Research Project and sent you our survey questionnaire. Unfortunately, we have not yet had any response from you. May I ask you kindly to fill in the questionnaire and return it as soon as possible.

The quality of the research depends on replies from business people like you - **your reply is vital!**

PLEASE DON'T HESITATE AND FILL IN THE QUESTIONNAIRE TODAY!

Your reply will enable me to complete this stage of the research. The sooner your completed questionnaire reaches me, the sooner I can continue. Please support this important research project and take the little time it takes to answer our questions.

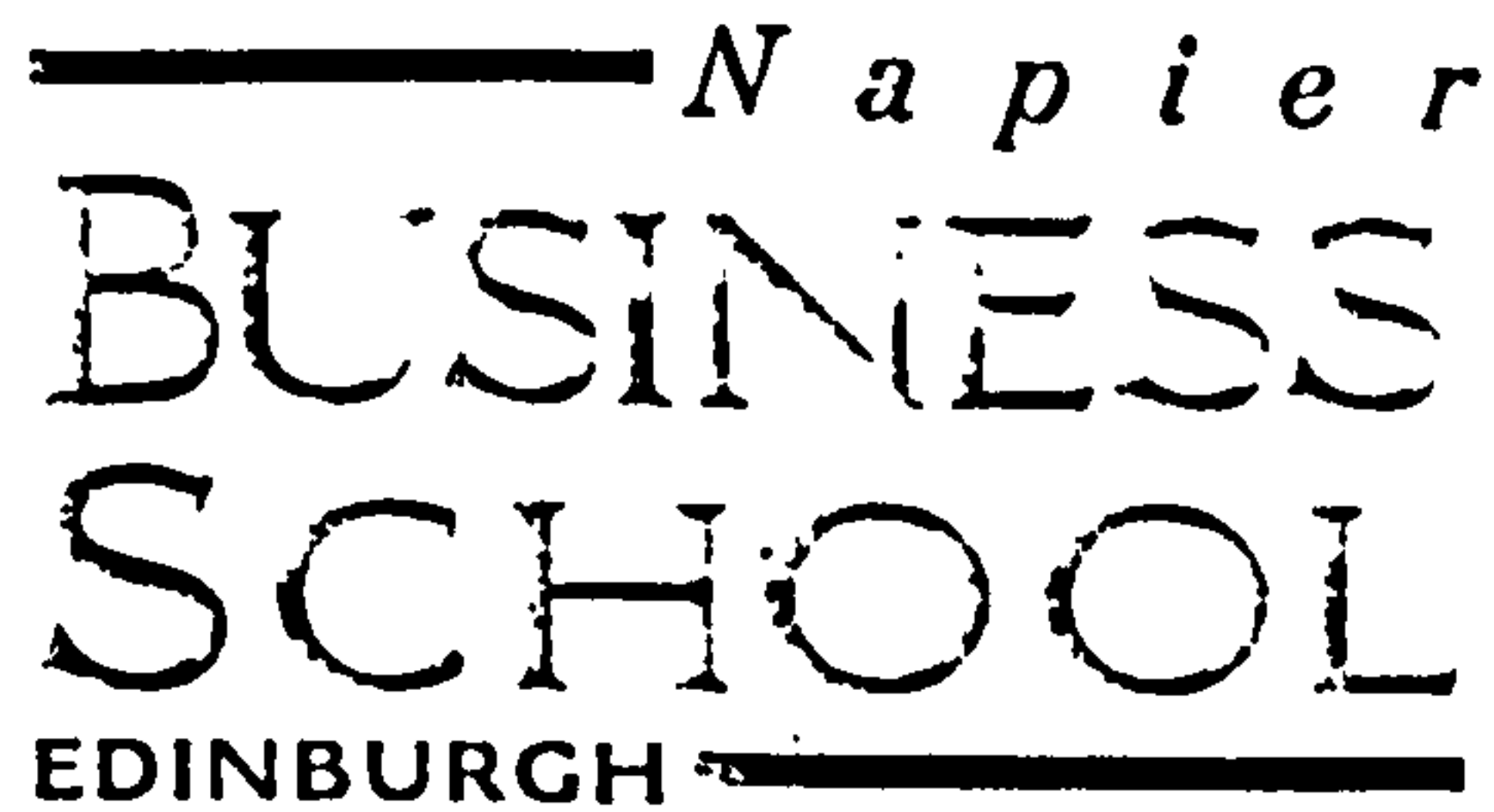
Thank you very much for your help!

Yours sincerely

Christopher Zorn, MBA
Research Assistant in Management Studies

APPENDIX 9

Thank you Letter Main Survey



«Anrede» «FirstName» «HRDirector»
«Title»
«Company»
«Address1»
«Address2»
«Town»
«Postcode»

5 August, 1994

**NAPIER UNIVERSITY RESEARCH PROJECT
ON
THE INTEGRATION OF CORPORATE AND HUMAN RESOURCE STRATEGIES**

Dear «Anrede» «HRDirector»

I acknowledge the receipt of your questionnaire. Thank you very much for completing it!

Your answers are currently entered into the analysis and will allow me to complete this crucial stage of the research. As you may realise, a substantial response to the questionnaire is required to produce meaningful and representative results. Therefore, if some colleagues of yours have also received a questionnaire I would be most grateful if you encouraged them to complete the questionnaire and return it to me, too.

Please let me thank you once again for your help and your cooperation in making this important research a success!

Yours sincerely

Christopher Zorn, MBA
Research Assistant in Management Studies

APPENDIX 10

<h3>Outline of Survey Administration</h3>

PROJECT CALENDAR MAIN SURVEY

APRIL 1994

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S

MAY 1994

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T

JUNE 1994

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T

JULY 1994

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S

APPENDIX 11

Survey Results Tables and Graphs Section I
--

ANALYSIS OF SECTION 1 STRUCTURE OF THE HUMAN RESOURCE FUNCTION

Question 1 "Does your organisation have a Human Resource (HR) or Personnel function?"

Count	Percent	Answer	Codes/Criteria:	
30	93.8%	Yes=1	I1	I1
2	6.3%	No=2	1	2
32	100.0%	Total		

Question 2a "What is the title of the department dealing with HR issues?"

Count	Percent	Answer	Codes/Criteria:				
5	16.7%	Human Resources=1	I2a	I2a	I2a	I2a	I2a
21	70.0%	Personnel=2	1	2	3	4	5
0	0.0%	Industrial Relations=3					
1	3.3%	Corp.Serv/Admin=4					
3	10.0%	Other=5					
30	100.0%	Total					

Question 2b "What is the title of the head of the department dealing with HR issues?"

Count	Percent	Answer	Codes/Criteria:					
2	6.7%	Director HR=1	I2b	I2b	I2b	I2b	I2b	I2b
6	20.0%	Director Pers.=2	1	2	3	4	5	6
3	10.0%	Manager HR=3						
11	36.7%	Manager Pers.=4	I2b	I2b	I2b			
4	13.3%	Head of HR=5	7	8	9			
0	0.0%	Head of Pers.=6						
1	3.3%	Staff Partner/Mgr=7						
1	3.3%	Director Other=8						
2	6.7%	Manager Other=9						
30	100.0%	Total						

Question 3a "Is the head of the function dealing with HR issues a member of your organisation's executive board?"

Count	Percent	Answer
15	50.0%	Yes=1
15	50.0%	No=2
30	100.0%	Total

Codes/Criteria:
I3a I3a
1 2

Question 3b "If NO, please indicate who of the board members is responsible for HR issues?"

Count	Percent	% of all	Answer
7	46.7%	23.3%	CEO=1
1	6.7%	3.3%	Finance Director=2
0	0.0%	0.0%	Marketing Director=3
1	6.7%	3.3%	Director Operations=4
3	20.0%	10.0%	Director Administration=5
3	20.0%	10.0%	Other =6
15			Total

Codes/Criteria:
I3b I3b I3b I3b I3b
1 2 3 4 5 6

(N.B.: Answers from 15 companies where HOD HR function is not a board member)

Question 4a "How many people work in the HR/Personnel function?"

Cum. Count	Count	Percent	Answer
15	15	46.9%	1-4
17	2	6.3%	5-9
24	7	21.9%	10-49
26	2	6.3%	50-99
32	6	18.8%	100-199
32	0	0.0%	200+
	32	100.0%	Total

Codes/Criteria:
I4a I4a I4a I4a I4a
<5 <10 <50 <100 <200 <1000

Question 4b "How many people work in your organisation?"

Cum. Count	Count	Percent	Answer	Codes/Criteria:			
2	2	6.3%	1-49	I4b	I4b	I4b	I4b
4	2	6.3%	50-99	<50	<100	<500	<100000
14	10	31.3%	100-499				
17	3	9.4%	500-999				
26	9	28.1%	1000-4999				
32	6	18.8%	5000+				
	32	100.0%	Total				

Calculated Ratios HR staff headcount/No. of employees in organisation

Cum. Count	Count	Percent	Answer	Codes/Criteria:			
3	3	9.4%	1-4 /1000empl.	Calc	Calc	Calc	Calc
12	9	28.1%	5-9 /1000empl.	<0.005	<0.010	<0.050	<1
24	12	37.5%	10-19 /1000empl.				
31	7	21.9%	20-49 /1000empl.				
32	1	3.1%	50-99 /1000empl.				
32	0	0.0%	100+ /1000empl.				
	32	100.0%	Total				

Question 5a "Does the HR section have employees who are mainly concerned with strategic HR issues?"

Count	Percent	Answer	Codes/Criteria:	
12	37.5%	Yes=1	I5a	I5a
20	62.5%	No=2	1	2
32	100.0%	Total		

Question 5b

"If YES, what is this section called or which are the job titles of these specialists?"

Count	Percent	% of all	Answer	Codes/Criteria:			
2	16.7%	6.3%	Director HR=1	I5ba	I5bb	I5bc	I5bd
1	8.3%	3.1%	Director HR policy=2	TRUE	TRUE	TRUE	TRUE
2	16.7%	6.3%	Employee/Mgt. Dev. Mgr=3				
0	0.0%	0.0%	Org. Development Mgr.=4				
7	58.3%	21.9%	Other=5				
12			Total				

(N.B.: Multiple answers from

12

companies that have HR Strategists)

Question 6a

"Have you within the lasts two years employed outside consultants on strategic HR issues?"

Count	Percent	Answer	Codes/Criteria:	
10	31.3%	Yes=1	I6a	I6a
22	68.8%	No=2	1	2
32	100.0%	Total		

Question 6b

"If YES, which particular expertise did you seek?"

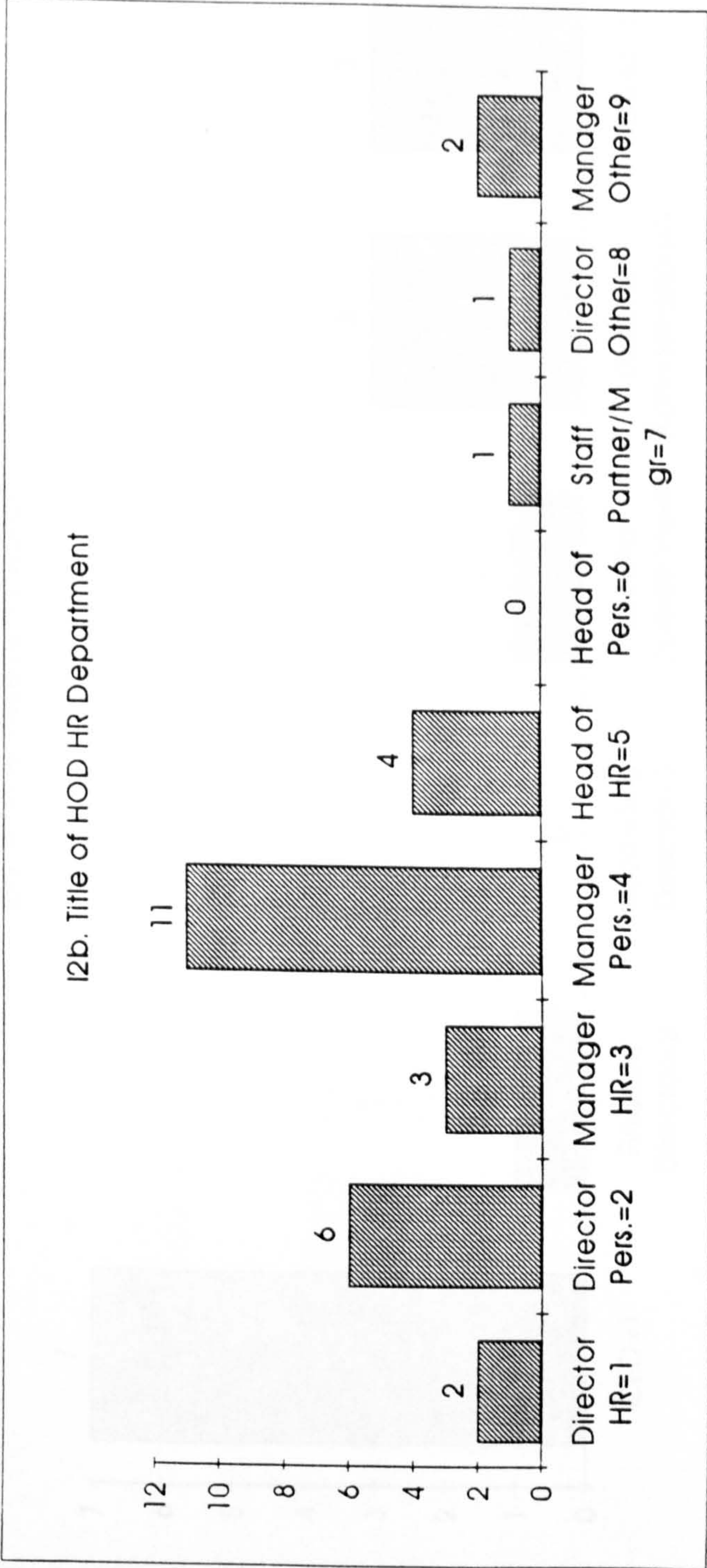
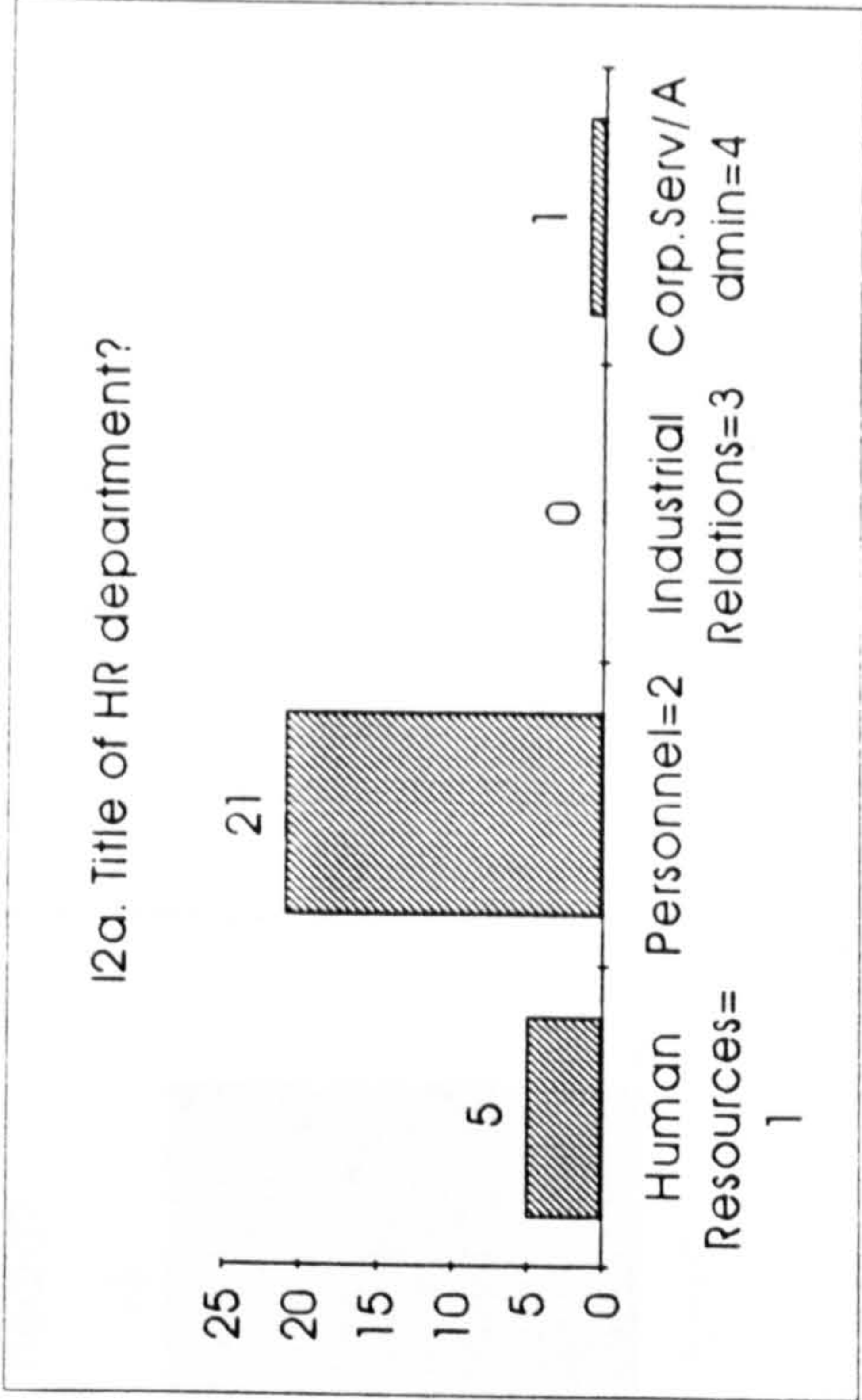
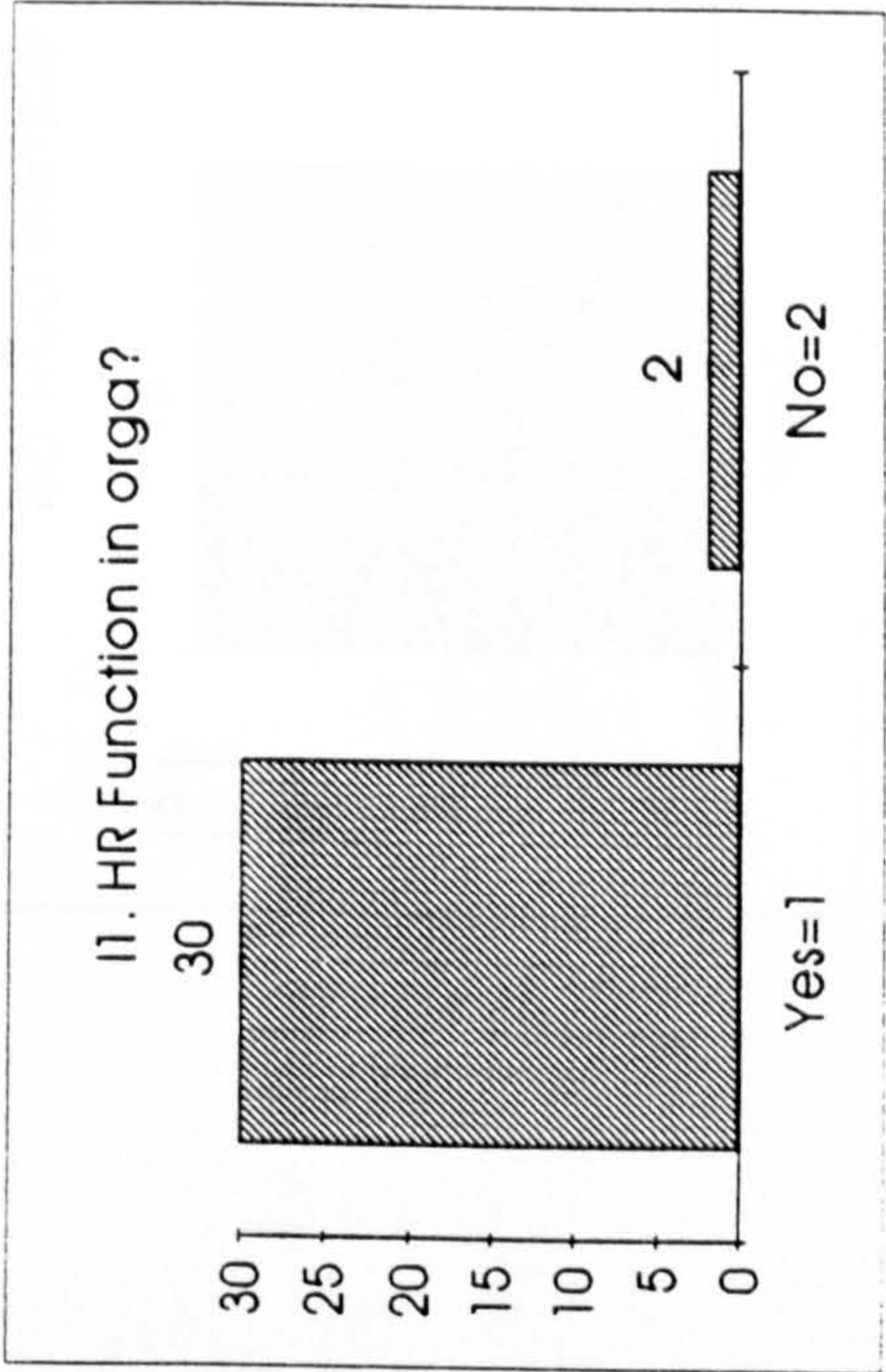
Count	Percent	% of all	Answer	Codes/Criteria:			
0	0.0%	0.0%	Industrial Rel.=1	I6ba	I6bb	I6bd	I6be
0	0.0%	0.0%	Corporate Strat.=2	TRUE	TRUE	TRUE	TRUE
1	10.0%	3.1%	Orga. Dev.=3				
2	20.0%	6.3%	HR Strategy=4				
7	70.0%	21.9%	Other=5				
10			Total				

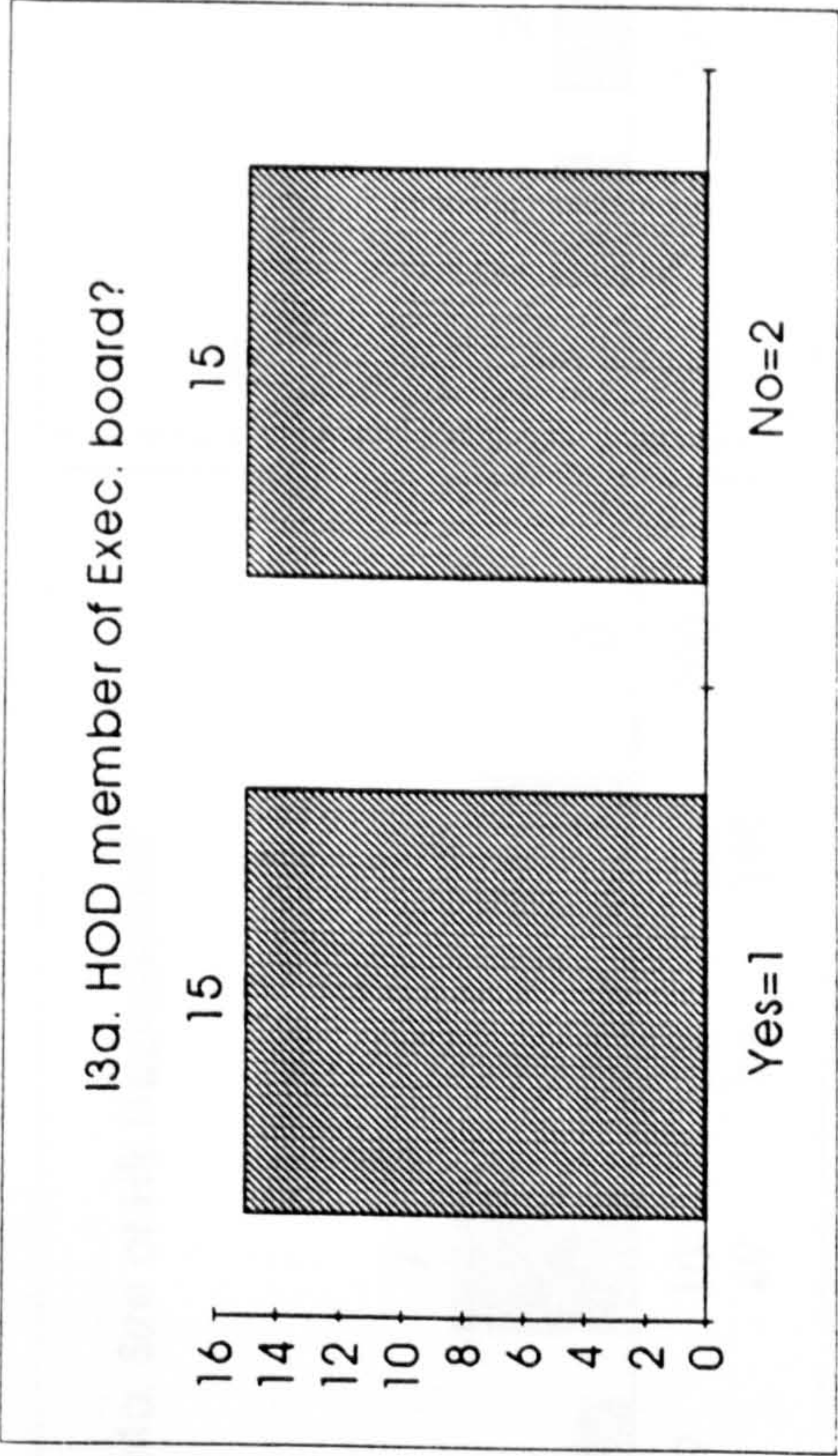
(N.B.: Multiple answers from

10

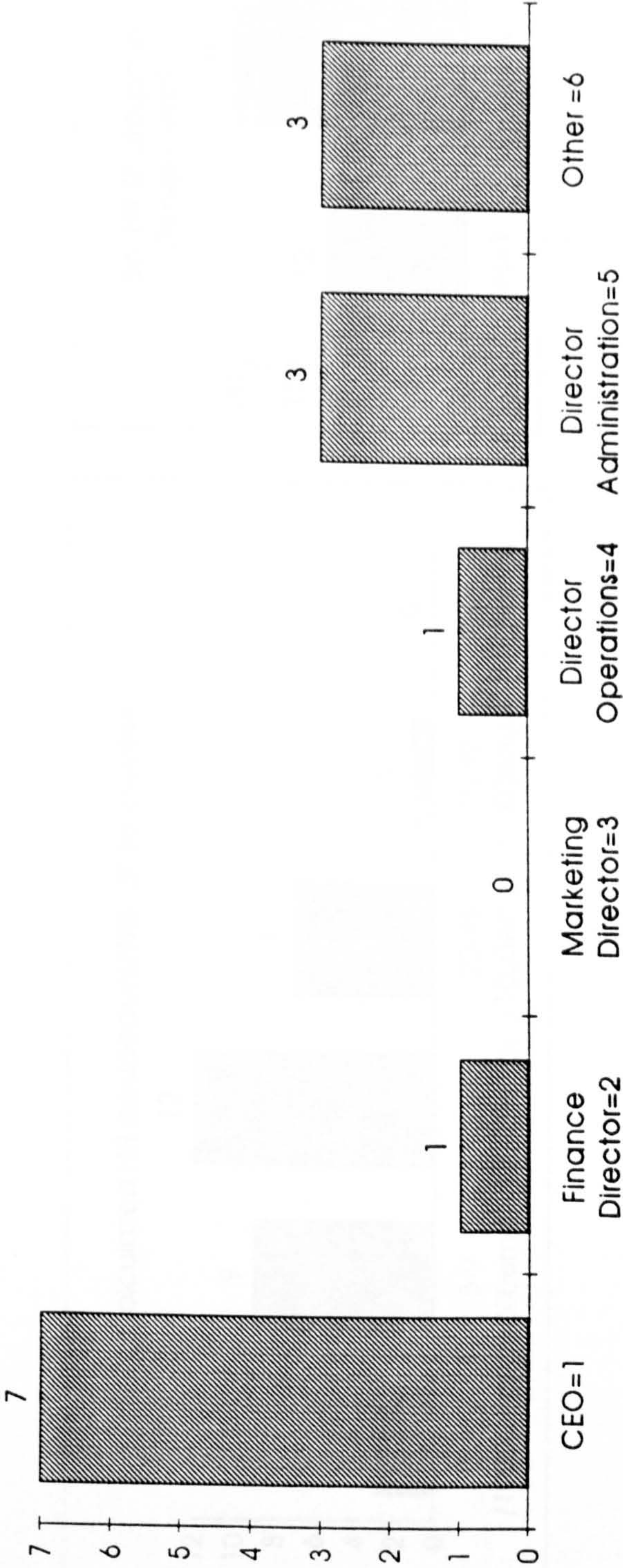
companies that have employed outside consultants within the last two y

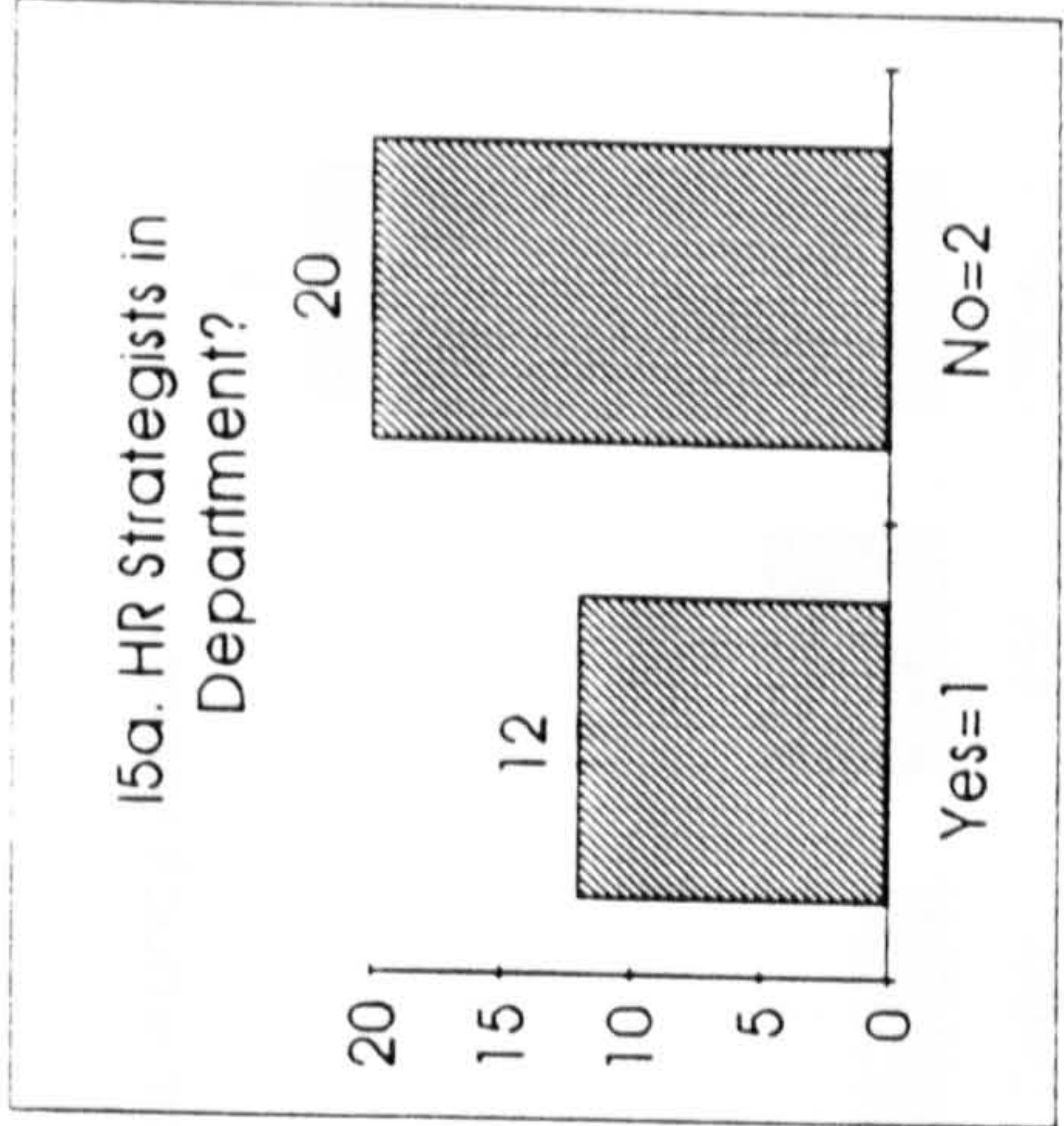
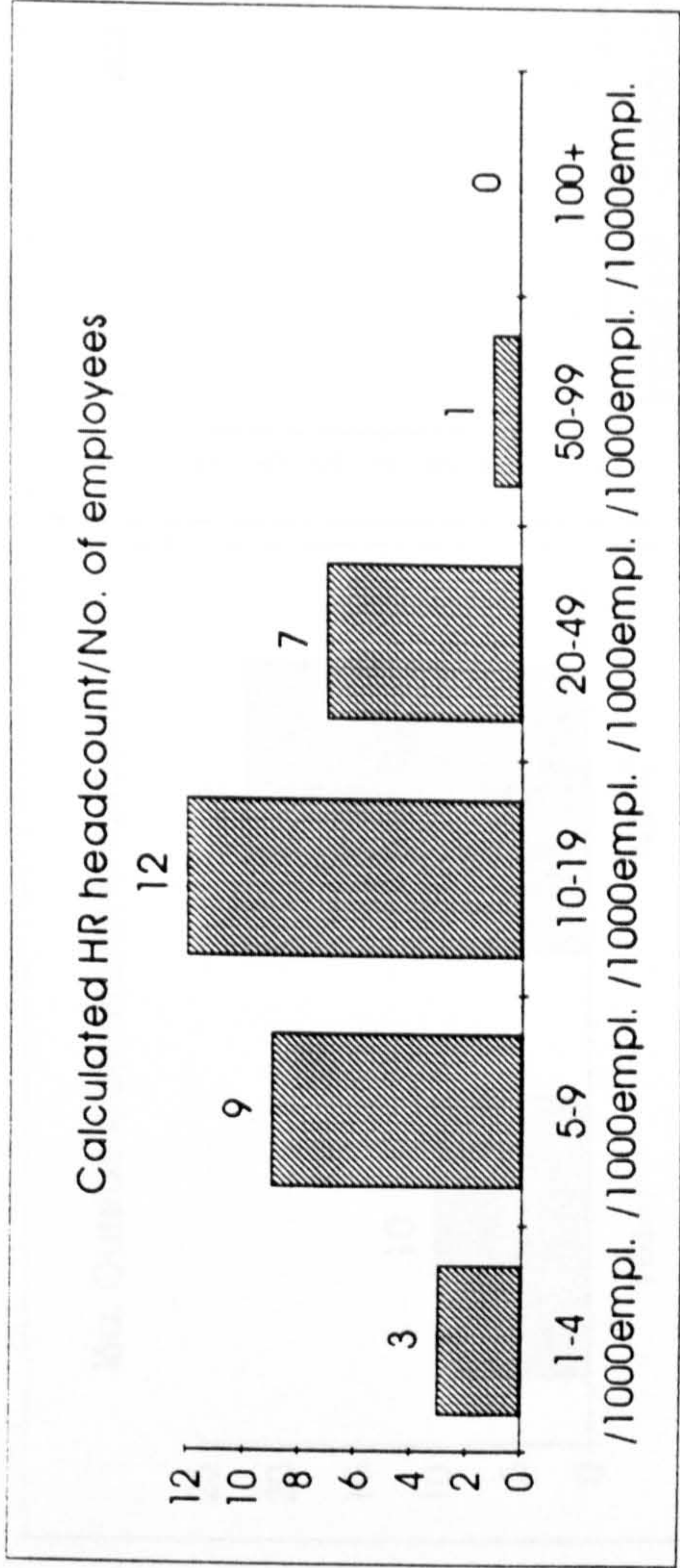
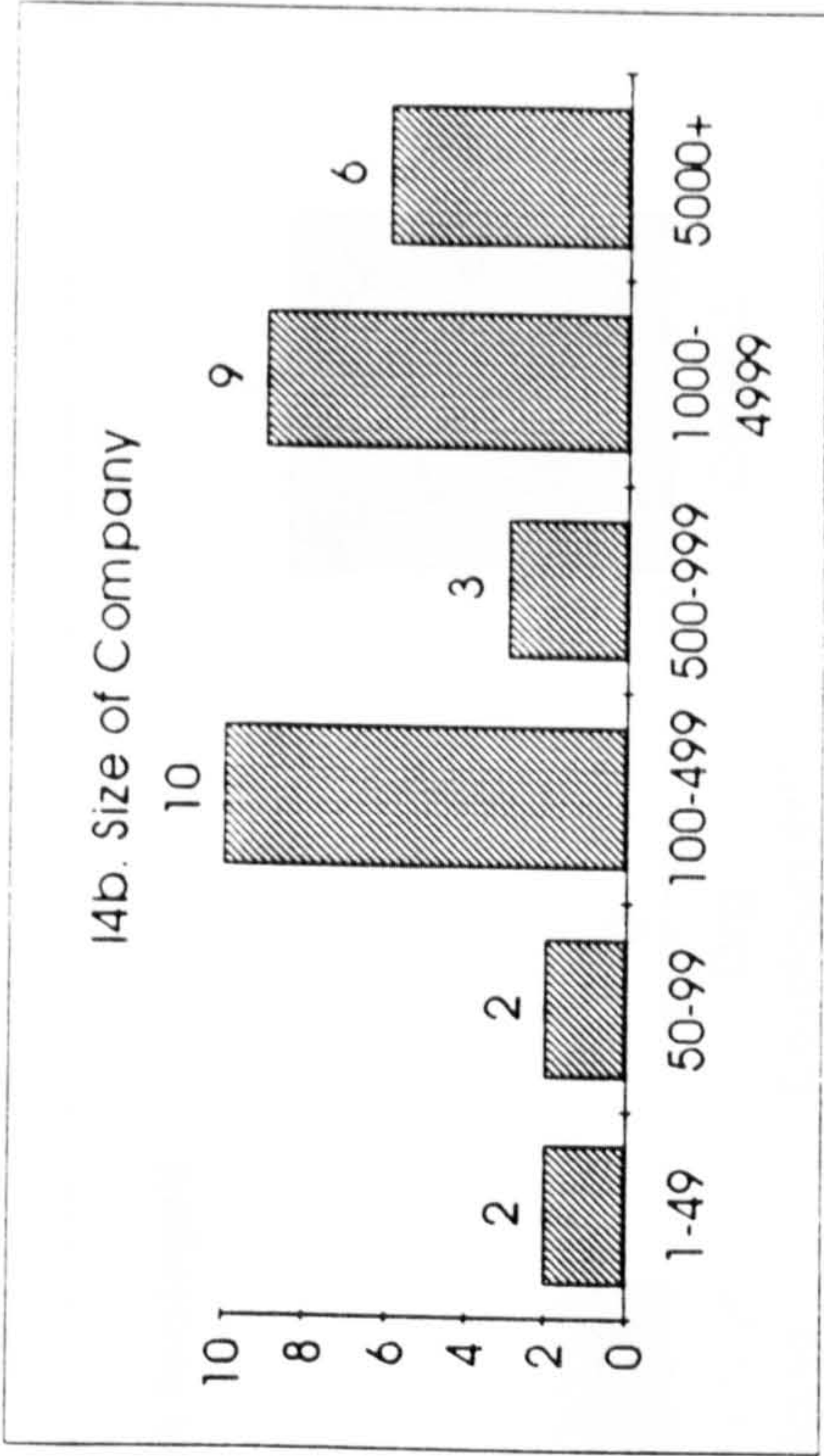
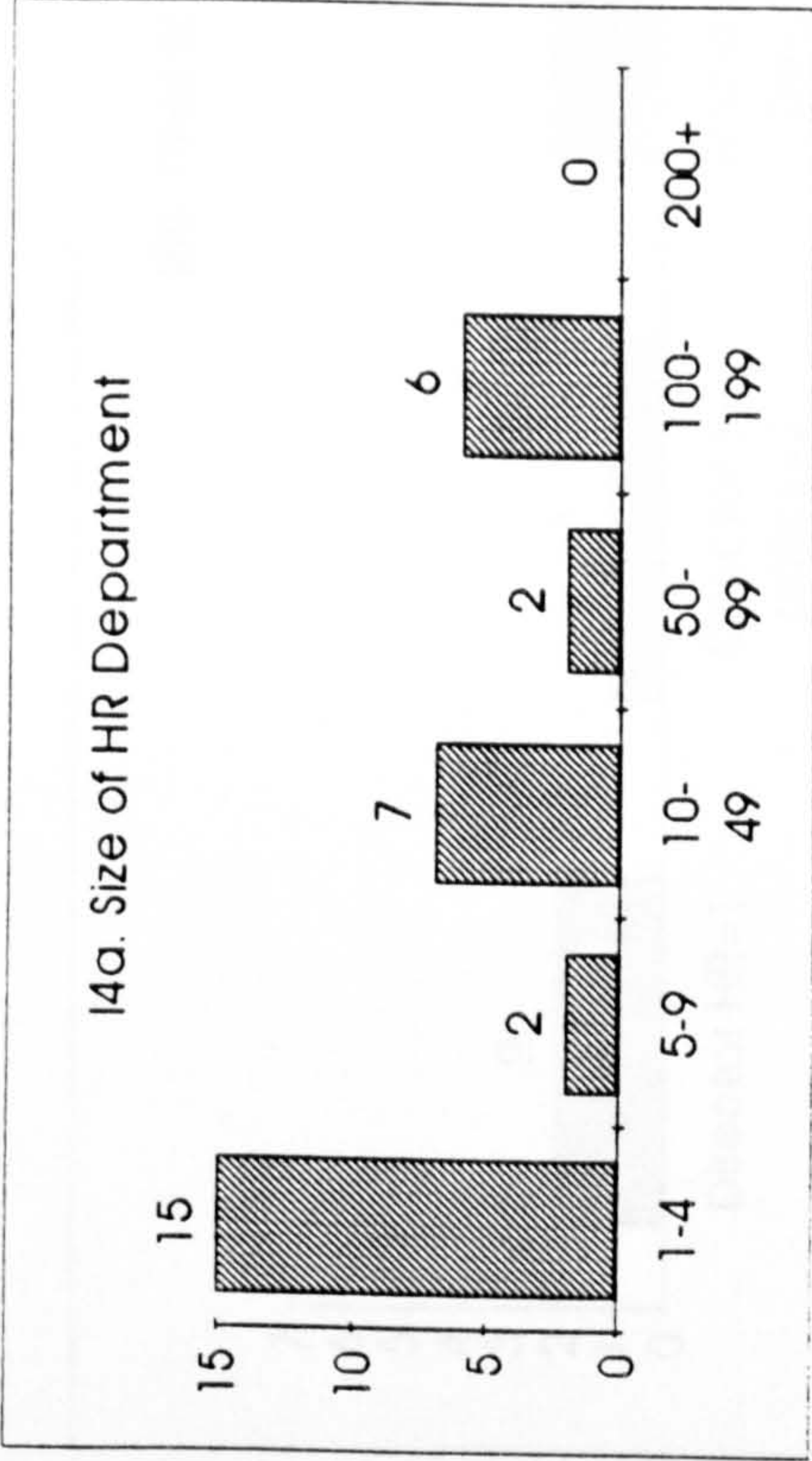
Graphs Analysis Section I. Structure of the HR Function

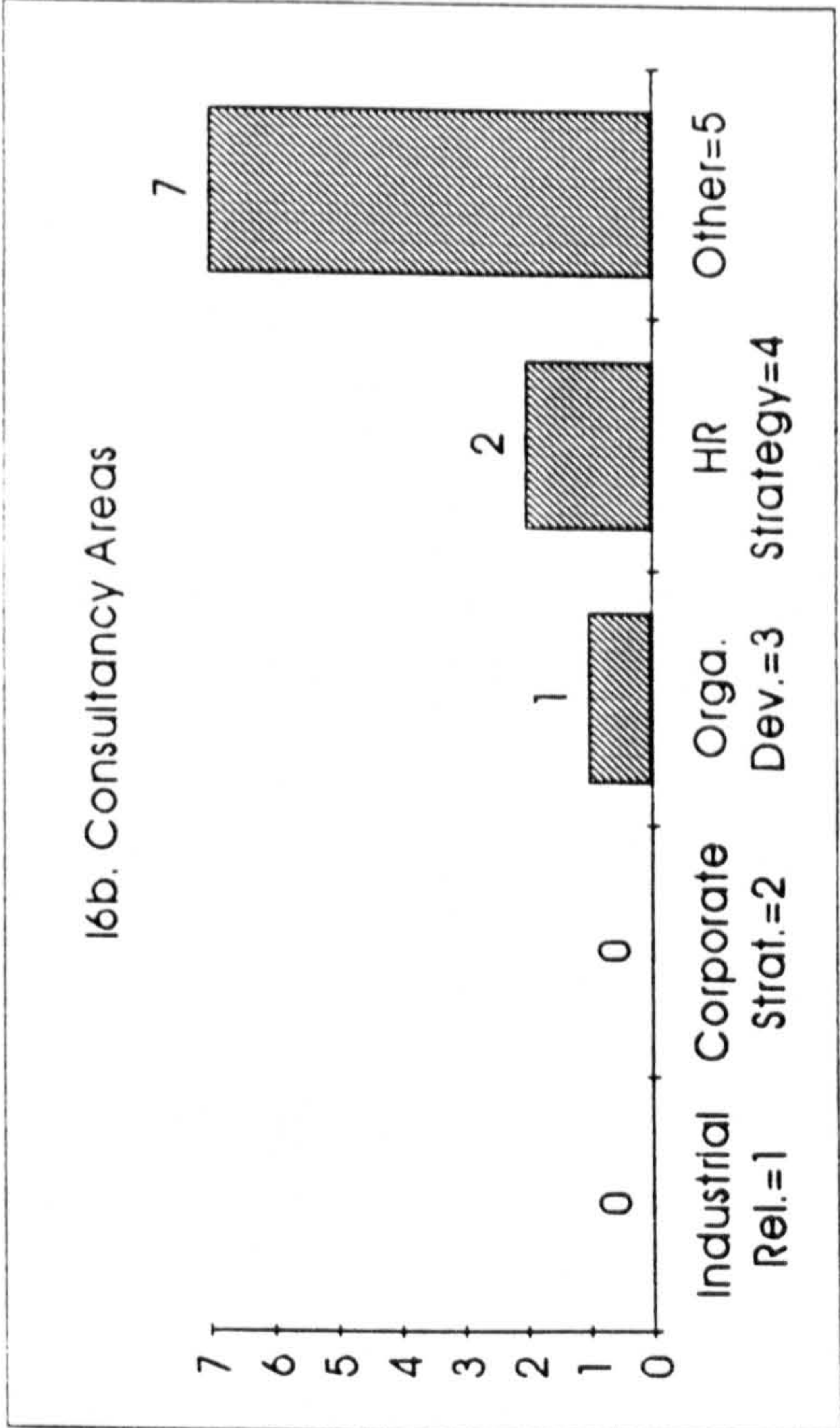
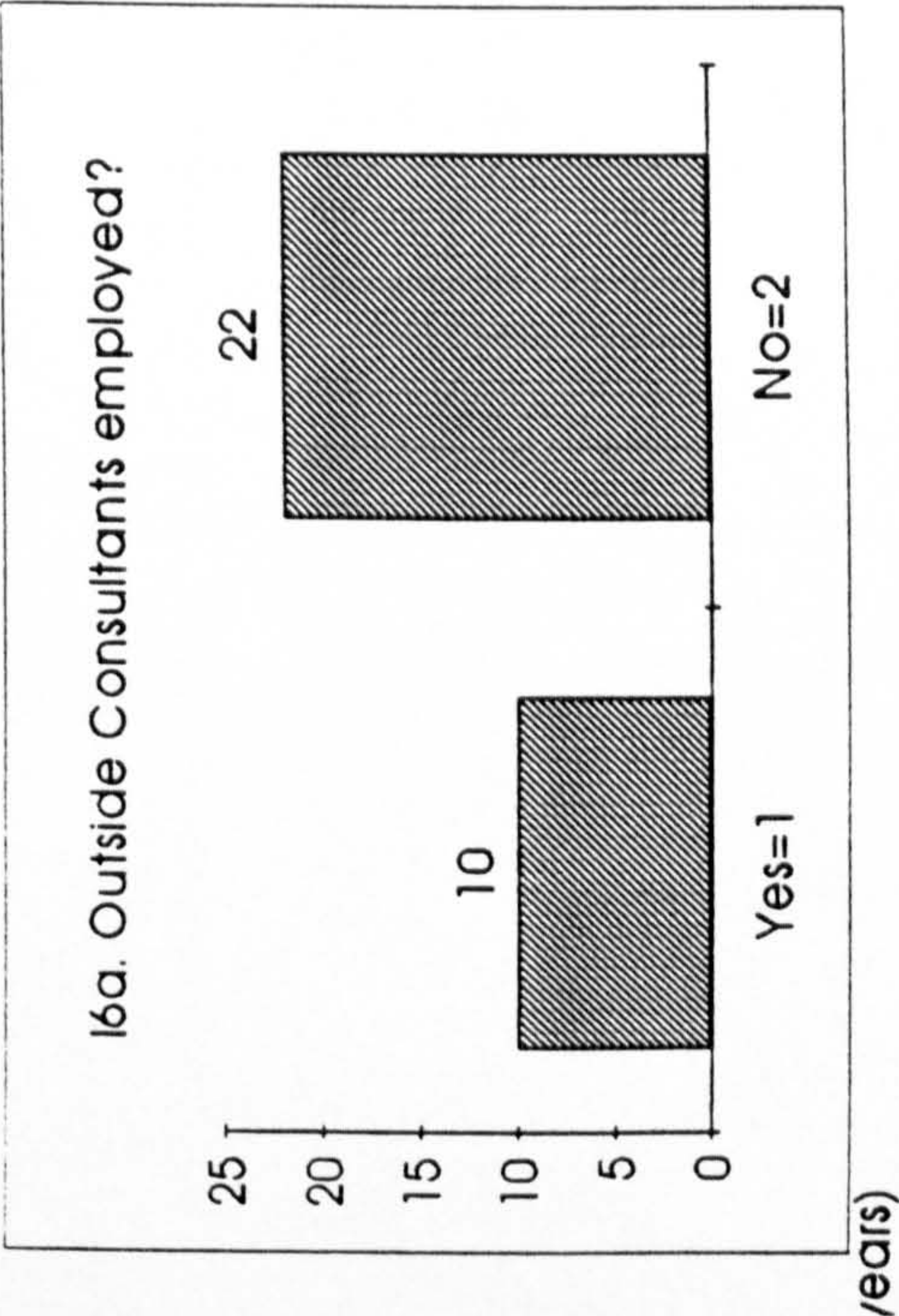
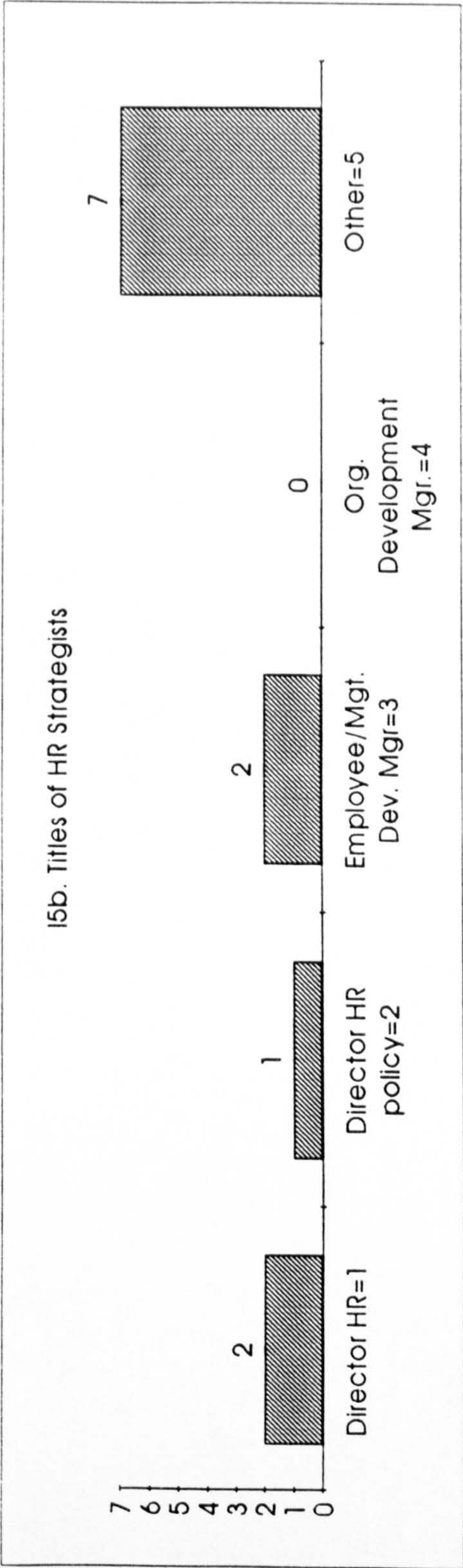




I3b. Who represents HR issues?







APPENDIX 12

Survey Results Tables and Graphs Section II

ANALYSIS OF SECTION 2 CORPORATE MISSION

Question 1 "Does your organisation have a Mission Statement?"

Count	Percent	Answer	Codes/Criteria:			
24	75.0%	Yes, written down=1	II1	II1	II1	II1
1	3.1%	Yes, unwritten	1	2	3	4
7	21.9%	No=3				0
0	0.0%	Don't know=4				
0	0.0%	No answer=0				
32	100.0%	Total				

Question 2 "If your organisation has a Mission Statement, how is it communicated?"

Count	Percent	% of all	Answer	Codes/Criteria			
19	76.0%	59.4%	Newsletters=1	II2a	II2b	II2c	II2e
12	48.0%	37.5%	Employee handbooks=2	TRUE	TRUE	TRUE	TRUE
2	8.0%	6.3%	Job descriptions=3	II2f			
9	36.0%	28.1%	Display in offices=4	TRUE			
14	56.0%	43.8%	Managers=5				
2	8.0%	6.3%	Business Plan=6				
58			Total				

(N.B.: Multiple answers from 25 companies that have a written or unwritten Mission Statement)

Question 3 "What role did the HR function play in the formulation of the Mission Statement?"

Count	Percent	Answer	Codes/Criteria:			
2	6.3%	Leading from outset=1	II3	II3	II3	II3
12	37.5%	Involved from outset=2	1	2	3	4
3	9.4%	Consulted on specific matters=3				0
8	25.0%	Not Involved=4				
7	21.9%	No answer=0				
32	100.0%	Total				

Question 4 "If the HR function participated in the formulation of the M.S. did you carry out any of the following?"

Count Percent % of all Answer			Codes/Criteria					
4	23.5%	12.5%	Identification of stakeholders=1	I14a	I14b	I14c	I14d	I14e
2	11.8%	6.3%	Stakeholders' claims=2	TRUE	TRUE	TRUE	TRUE	TRUE
3	17.6%	9.4%	Stakeholders values=3					
10	58.8%	31.3%	None=4					
1	5.9%	3.1%	Other=5					
20			Total					

(N.B.: Multiple answers from 17 companies where the HR function is involved in the formulation of the M

Question 5 "From which of the following stakeholder groups did you seek input?"

Count	Percent	% of all	Answer	Codes/Criteria:				
6	66.7%	18.8%	Management =1	I15a	I15b	I15c	I15d	I15e
3	33.3%	9.4%	Employees =2	TRUE	TRUE	TRUE	TRUE	TRUE
1	11.1%	3.1%	Stockholders =3	I15f	I15g			
2	22.2%	6.3%	Customers =4	TRUE	TRUE			
0	0.0%	0.0%	Unions/Empl. reps =5					
1	11.1%	3.1%	General Public =6					
0	0.0%	0.0%	Others=7					
13			Total					

(N.B.: Multiple answers from 9 replies concerning stakeholder approach)

Question 6a "Is the formulation of the Mission Statement in your organisation...?"

Count	Percent	Answer	Codes/Criteria:		
13	40.6%	...a formal process=1	I16a	I16a	I16a
8	25.0%	...a rather informal process=2	1	2	3
3	9.4%	Don't know=3			
8	25.0%	No answer=0			0
32	100.0%	Total			

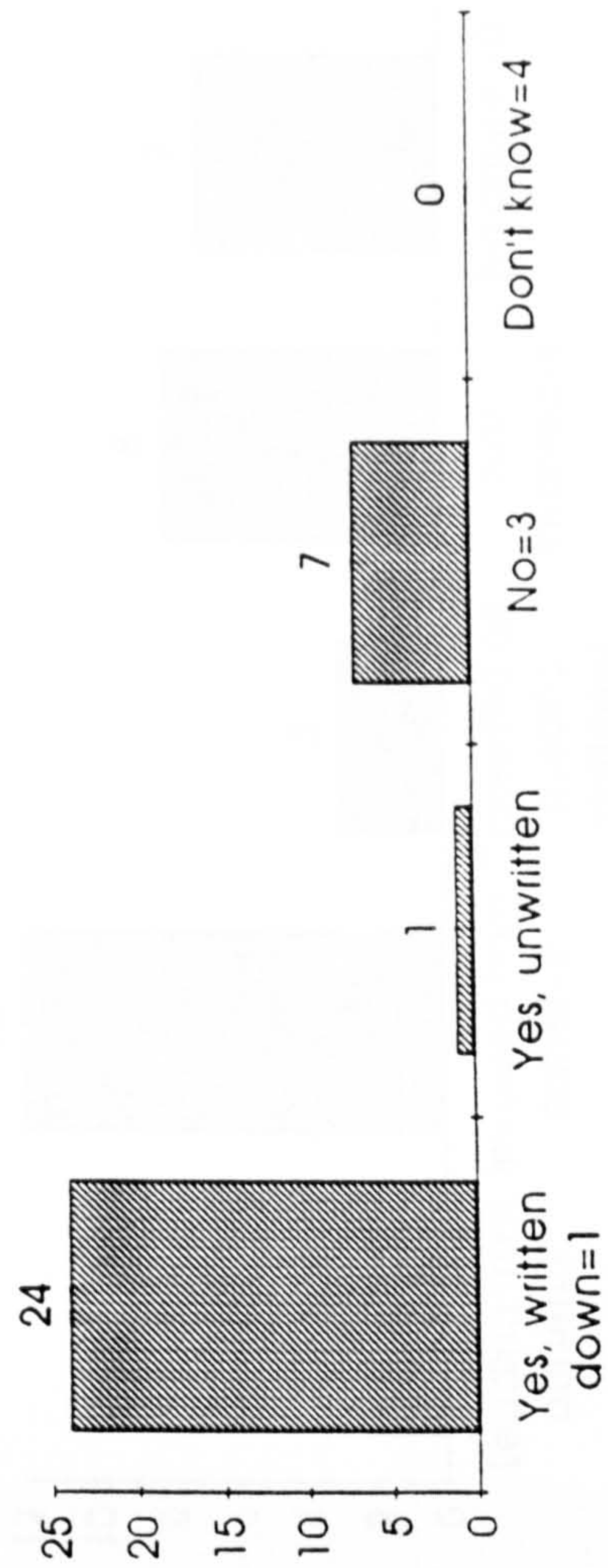
Question 6b "Is the formulation of the Mission Statement in your organisation carried out...?"

Count	Percent	Answer	Codes/Criteria:				
1	3.1%	...annually=1	116b	116b	116b	116b	116b
5	15.6%	...every 2yrs=2		1	2	3	4
1	3.1%	...every 3 yrs=3	116b	116b			5
1	3.1%	...every 5yrs=4		6	0		
11	34.4%	... on a 'needs' basis=5					
5	15.6%	Don't know=6					
8	25.0%	No answer=0					
32	100.0%	Total					

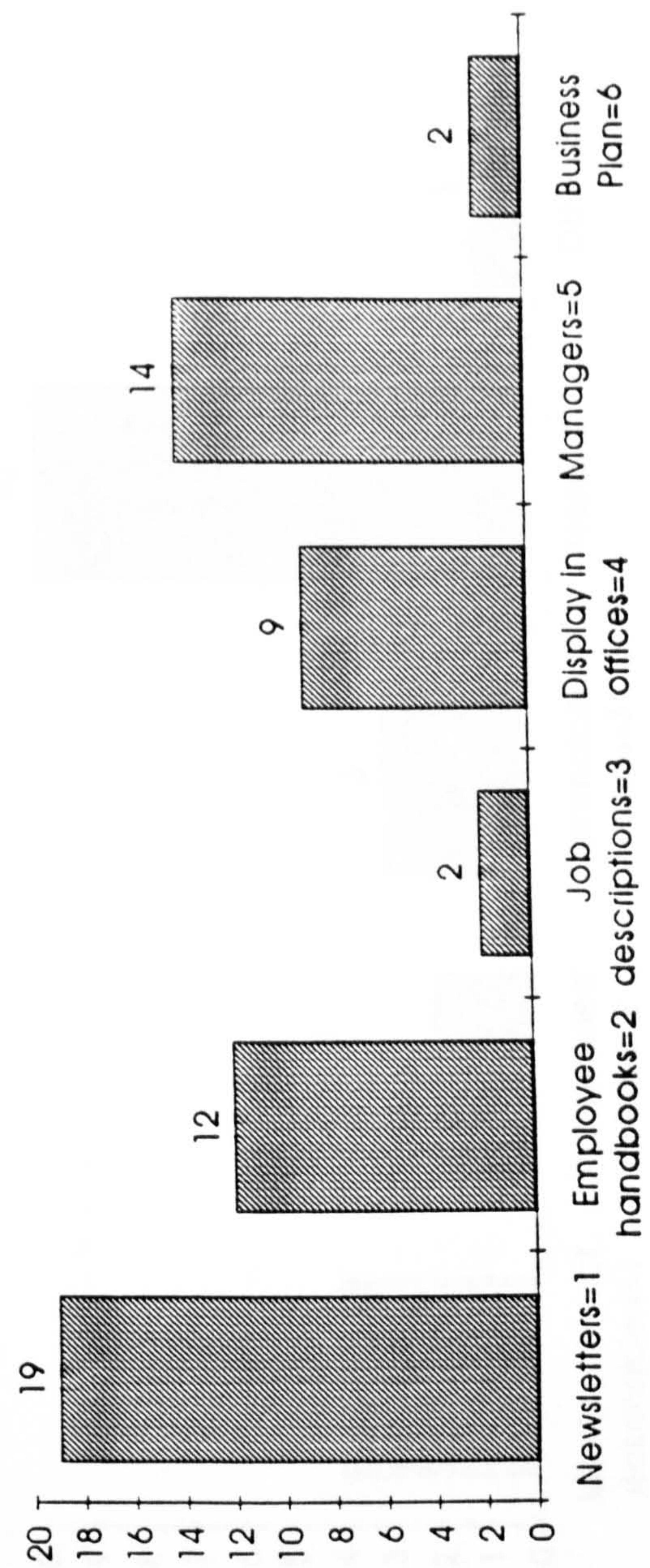
Question 7 "Is the formulation of the Mission Statement in your organisation dominated by any of the following?"

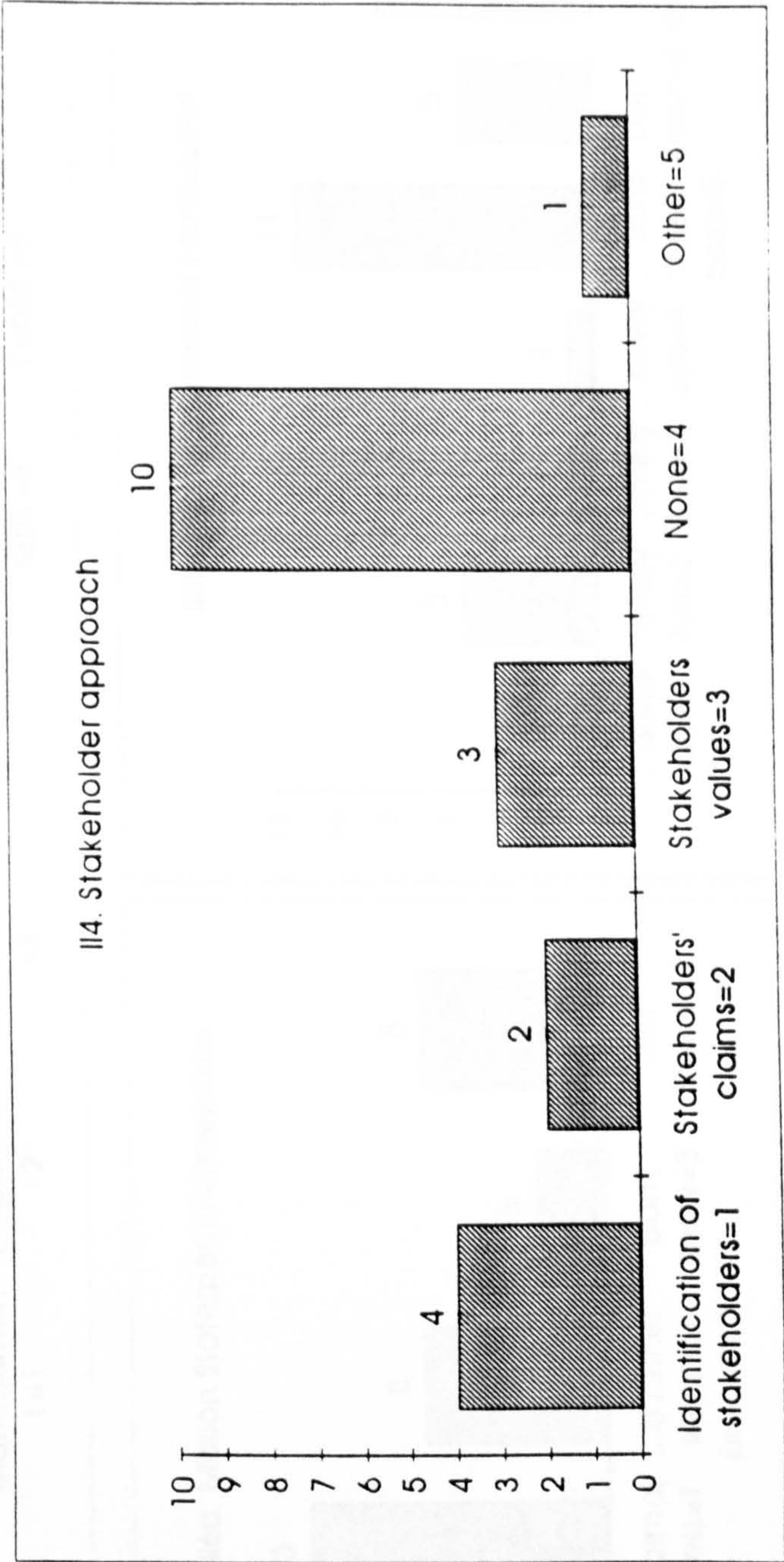
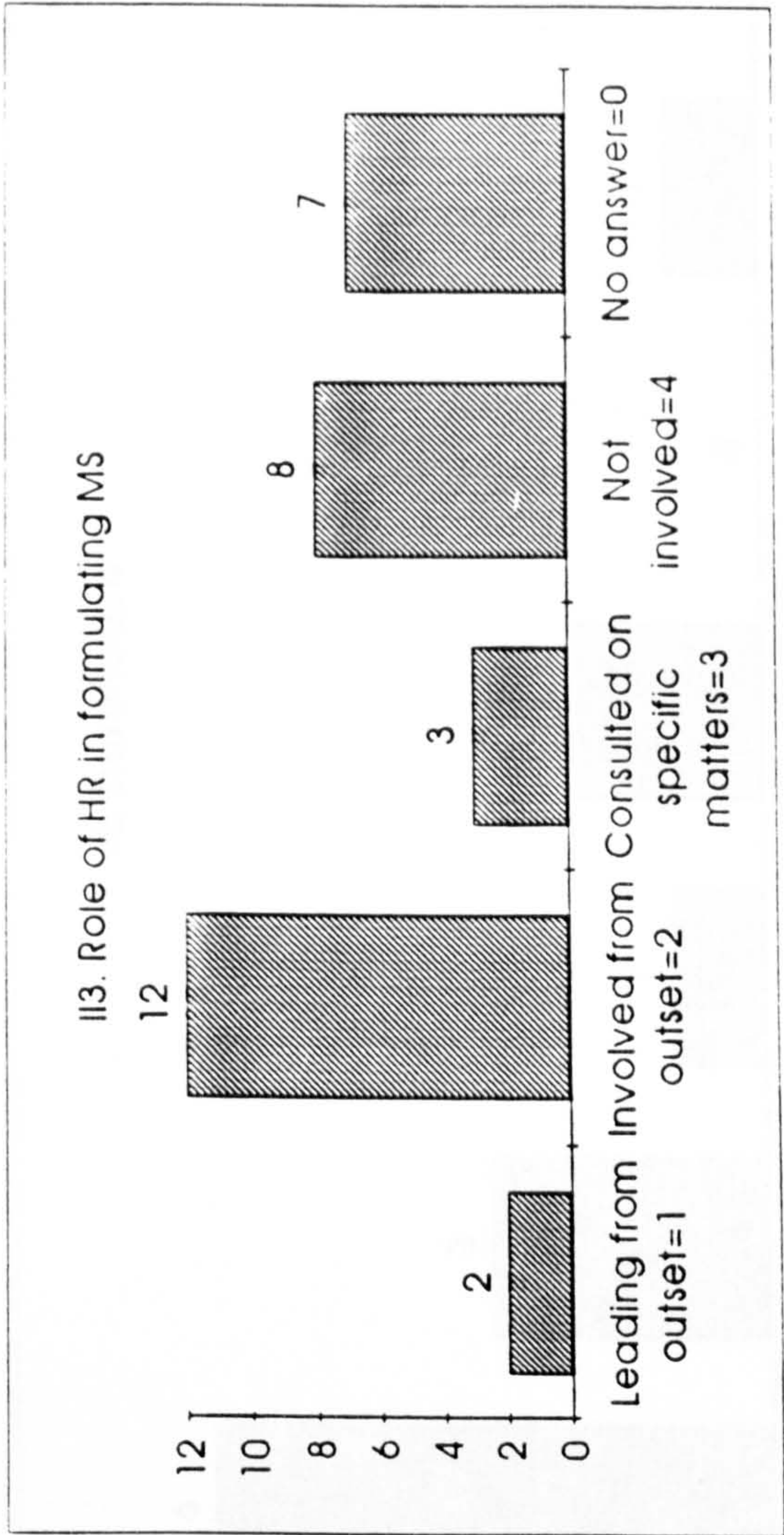
Count	Percent	Answer	Codes/Criteria:				
11	34.4%	CEO=1	117	117	117	117	117
0	0.0%	Finance=2		1	2	3	4
1	3.1%	Marketing=3	117	117			5
0	0.0%	Operations=4		7	0		6
1	3.1%	HRM=5					
10	31.3%	All functions equal=6					
1	3.1%	Other=7					
8	25.0%	No answer=0					
32	100.0%	Total					

III. Mission Statement

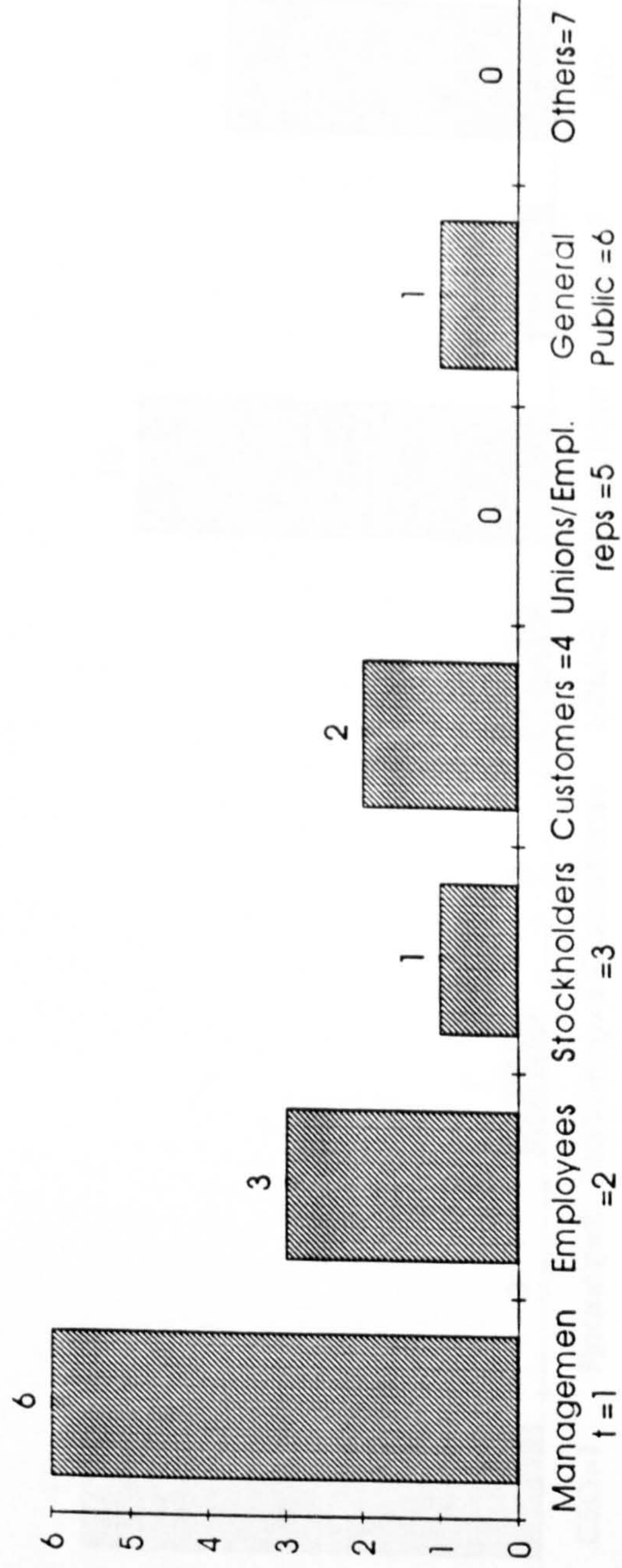


III2. Communication of Mission Statement

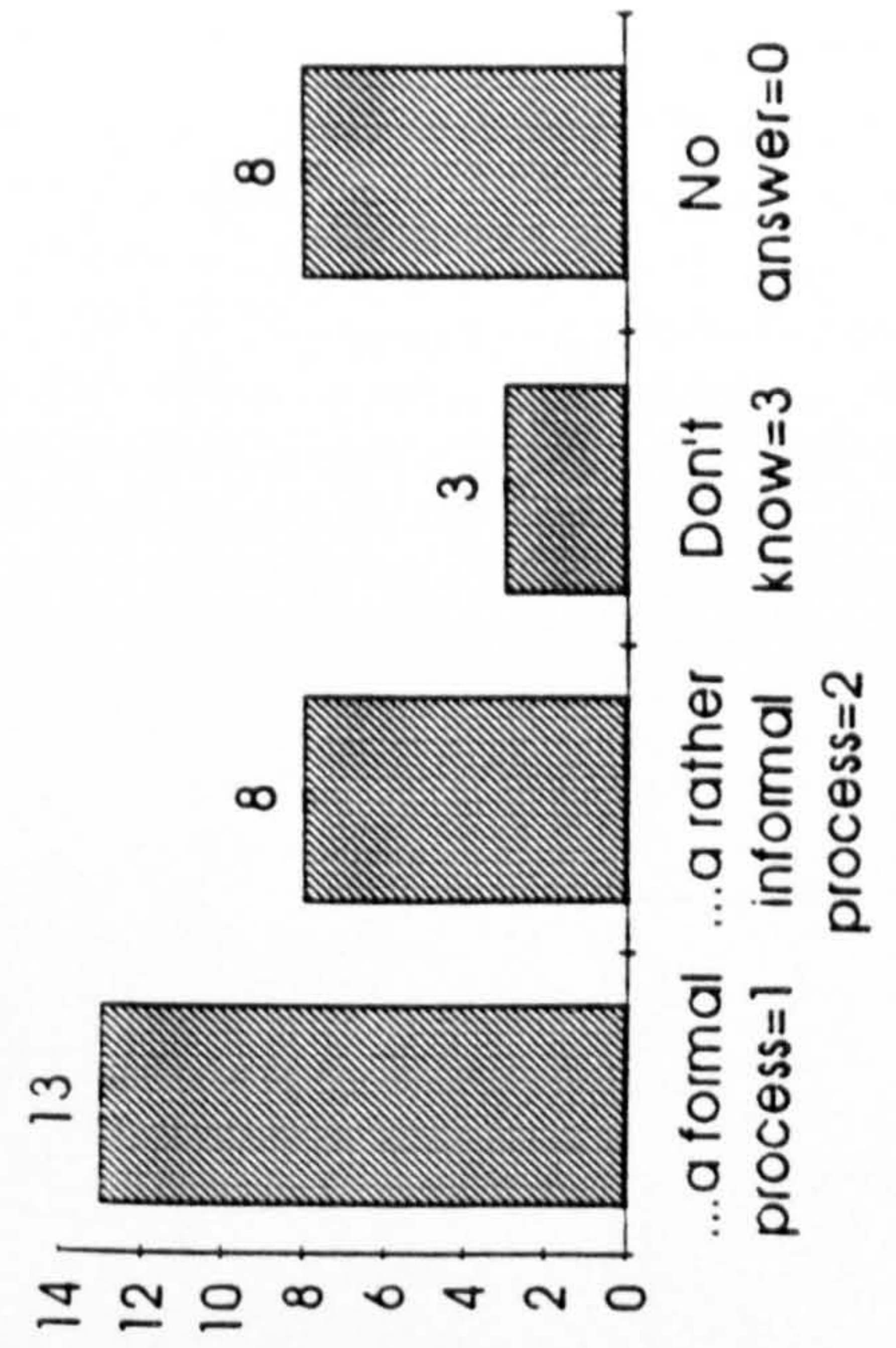




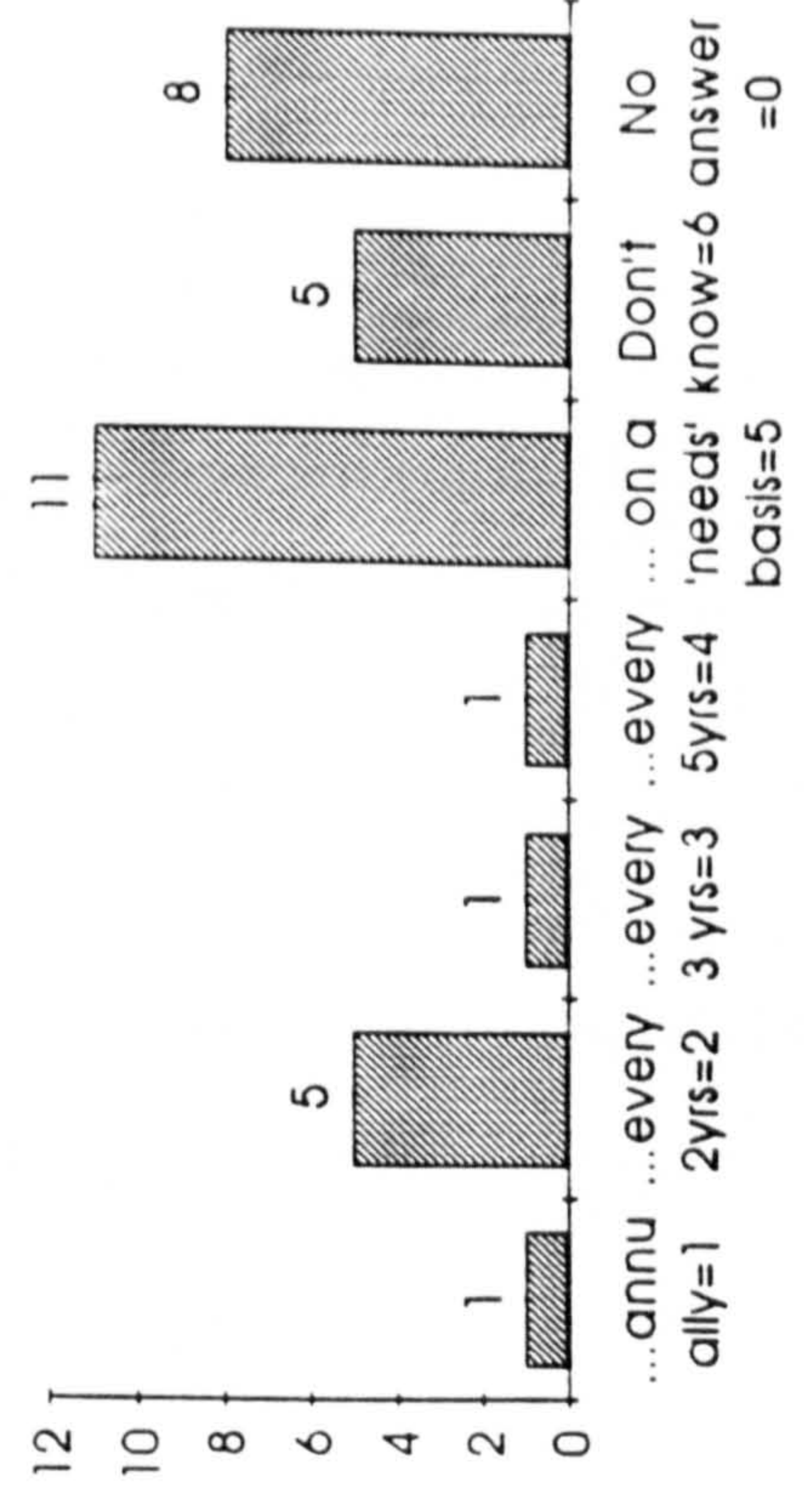
II5. Stakeholders



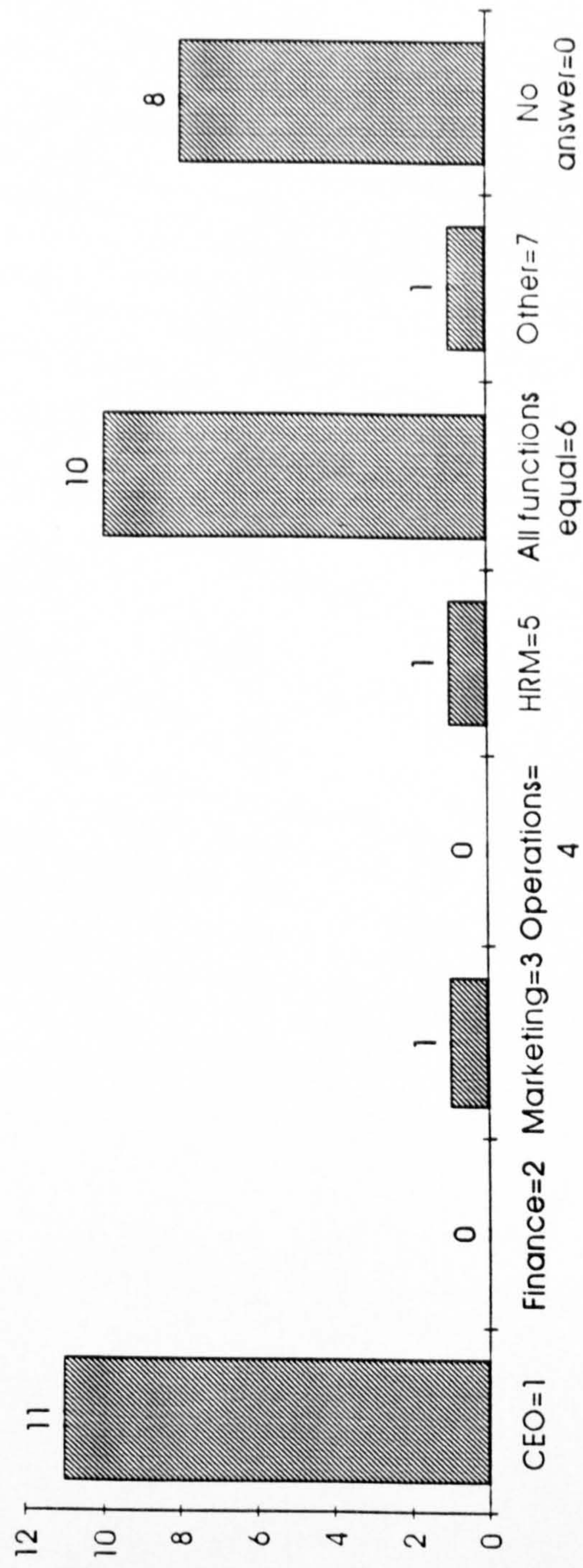
II6a. Mission Statement Formulation



II6b. Mission Statement Formulation



117. MS Formulation dominated by



APPENDIX 13

Survey Results Tables and Graphs Section III
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ANALYSIS OF SECTION 3 THE ORGANISATION'S EXTERNAL ENVIRONMENT
A. ECONOMIC FACTORS

Question 1 "Does the HR function analyse Economic Factors?"

Count	Percent	Answer	Codes/Criteria:		
14	43.8%	Yes=1	IIIA1	IIIA1	IIIA1
18	56.3%	No=2		1	2
0	0.0%	No answer=0			0
32	100.0%	Total			

Question 2 "Which of the following factors are included?"

Count	Percent	% of all	Answer	Codes/Criteria:				
13	92.9%	40.6%	Growth national.=1	IIIA21	IIIA22	IIIA23	IIIA24	IIIA25
3	21.4%	9.4%	Growth intern.=2	TRUE	TRUE	TRUE	TRUE	TRUE
9	64.3%	28.1%	Interest nat.=3	IIIA27	IIIA28			
1	7.1%	3.1%	Interest intern.=4	TRUE	TRUE			
4	28.6%	12.5%	Capital avail.=5					
5	35.7%	15.6%	CPP=6					
3	21.4%	9.4%	RPI=7					
1	7.1%	3.1%	Salaries=8					
39			Total					

(N.B.: Multiple answers from 14 companies analysing Economic Factors)

Question 3 "Are the analyses carried out on a regular basis?"

Count	Percent	Answer	Codes/Criteria:				
5	15.6%	Continuous=1	IIIA3	IIIA3	IIIA3	IIIA3	IIIA3
1	3.1%	Monthly=2		1	2	3	4
0	0.0%	Quarterly=3					5
1	3.1%	6 monthly=4	IIIA3				9
3	9.4%	Annually=5					
4	12.5%	No=9					
18	56.3%	No answer=0					
32	100.0%	Total					

B. SOCIAL FACTORS

Question 1 "Does the HR function analyse Social Factors?"

Count	Percent	Answer	Codes/Criteria:		
18	56.3%	Yes=1	IIIB1	IIIB1	IIIB1
14	43.8%	No=2	1	2	0
0	0.0%	No answer=0			
32	100.0%	Total			

Question 2 "Which of the following factors are included?"

Count	Percent	% of all	Answer	Codes/Criteria:				
9	50.0%	28.1%	Marriage & Children=1	IIIB21	IIIB22	IIIB23	IIIB24	IIIB25
13	72.2%	40.6%	Work & Lifestyle=2	TRUE	TRUE	TRUE	TRUE	TRUE
12	66.7%	37.5%	Ethics & Gender roles=3					
15	83.3%	46.9%	Education & Skills=4					
0	0.0%	0.0%	Other=5					
49			Total					

(N.B.: Multiple answers from 18 companies analysing Social Factors)

Question 3 "Are the analyses carried out on a regular basis?"

Count	Percent	Answer	Codes/Criteria:				
6	18.8%	Continuous=1	IIIB3	IIIB3	IIIB3	IIIB3	IIIB3
0	0.0%	Monthly=2	1	2	3	4	5
0	0.0%	Quarterly=3	IIIB3				
1	3.1%	6 monthly=4					
1	3.1%	Annually=5					
10	31.3%	No=9					
14	43.8%	No answer=0					
32	100.0%	Total					

C. POLITICAL FACTORS

Question 1 "Does the HR function analyse Political Factors?"

Count	Percent	Answer	Codes/Criteria:		
14	43.8%	Yes=1	IIIC1	IIIC1	IIIC1
18	56.3%	No=2		1	2
0	0.0%	No answer=0			0
32	100.0%	Total			

Question 2 "Which of the following factors are included?"

Count	Percent	% of all	Answer	Codes/Criteria:					
6	42.9%	18.8%	Nat. Govmt.=1	IIIC21	IIIC22	IIIC23	IIIC24	IIIC25	IIIC26
6	42.9%	18.8%	Ind. co-operation=2	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
1	7.1%	3.1%	Antitrust=3						
5	35.7%	15.6%	Deregulation=4	IIIC27	IIIC28	IIIC29	IIIC210	IIIC211	
9	64.3%	28.1%	Taxation=5	TRUE	TRUE	TRUE	TRUE	TRUE	
11	78.6%	34.4%	Employment=6						
2	14.3%	6.3%	Ecology=7						
0	0.0%	0.0%	Other nat. policy=8						
10	71.4%	31.3%	Europe policy=9						
4	28.6%	12.5%	Internat. policy=10						
0	0.0%	0.0%	Other=11						
54			Total						
(N.B.: Multiple answers from				14	companies analysing Political Factors)				

Question 3 "Are the analyses carried out on a regular basis?"

Count	Percent	Answer	Codes/Criteria:				
6	18.8%	Continuous=1	IIIC3	IIIC3	IIIC3	IIIC3	IIIC3
0	0.0%	Monthly=2		1	2	3	4
0	0.0%	Quarterly=3					5
0	0.0%	6 monthly=4	IIIC3				
1	3.1%	Annually=5					
7	21.9%	No=9					
18	56.3%	No answer=0					
32	100.0%	Total					

D. TECHNOLOGICAL FACTORS

Question 1 "Does the HR function analyse Technological Factors?"

Count	Percent	Answer	Codes/Criteria:		
20	62.5%	Yes=1	IIID1	IIID1	IIID1
12	37.5%	No=2	1	2	0
0	0.0%	No answer=0			
32	100.0%	Total			

Question 2 "Which of the following factors are included?"

Count	Percent	% of all	Answer	Codes/Criteria:				
13	65.0%	40.6%	State of Art=1	IIID21	IIID22	IIID23	IIID24	IIID25
14	70.0%	43.8%	NT available=2	TRUE	TRUE	TRUE	TRUE	TRUE
16	80.0%	50.0%	Impact of NT=3					
8	40.0%	25.0%	Impact Values=4					
1	5.0%	3.1%	Other=5					
52			Total					

(N.B.: Multiple answers from 20 companies analysing Technological Factors)

Question 3 "Are the analyses carried out on a regular basis?"

Count	Percent	Answer	Codes/Criteria:				
9	28.1%	Continuous=1	IIID3	IIID3	IIID3	IIID3	IIID3
1	3.1%	Monthly=2	1	2	3	4	5
0	0.0%	Quarterly=3	IIID3				9
1	3.1%	6 monthly=4					
0	0.0%	Annually=5					
9	28.1%	No=9					
12	37.5%	No answer=0					
32	100.0%	Total					

E. ECOLOGICAL FACTORS

Question 1 "Does the HR function analyse Ecological Factors?"

Count	Percent	Answer	Codes/Criteria:		
4	12.5%	Yes=1	IIIE1	IIIE1	IIIE1
27	84.4%	No=2			
1	3.1%	No answer=0	1	2	0
32	100.0%	Total			

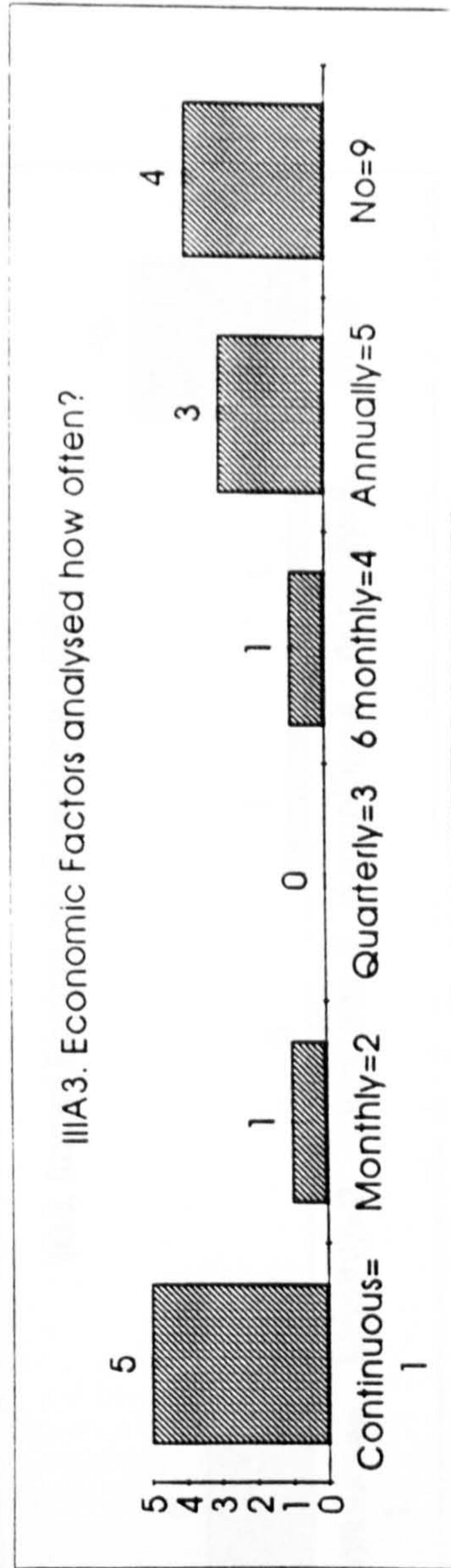
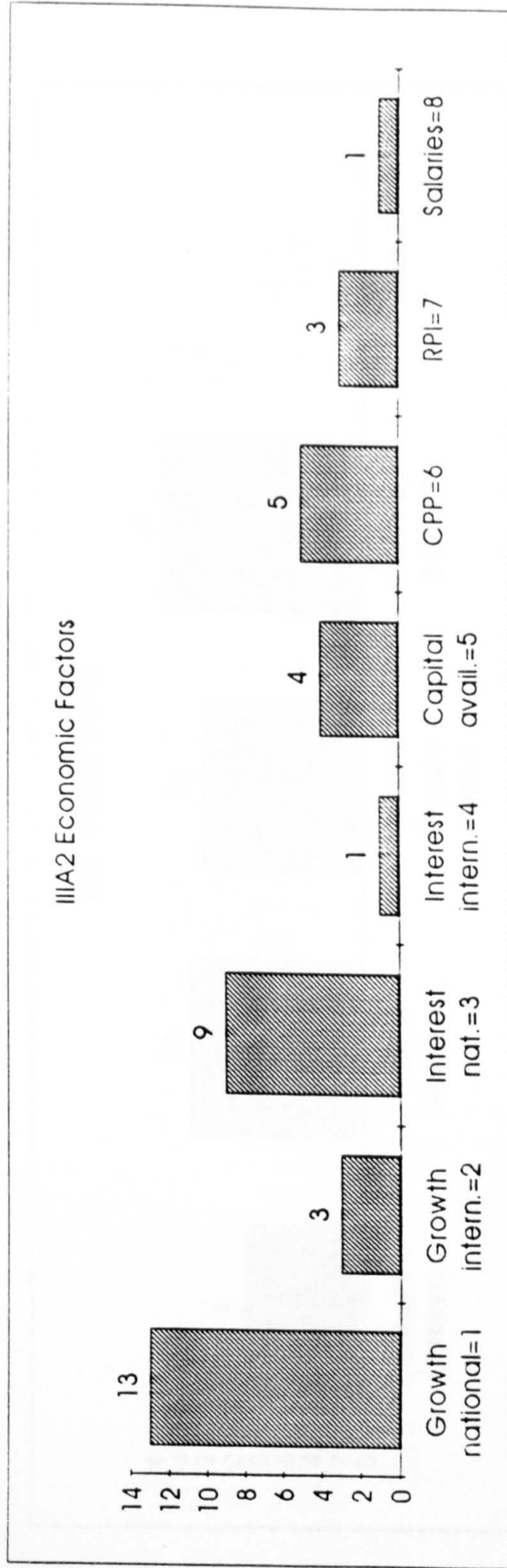
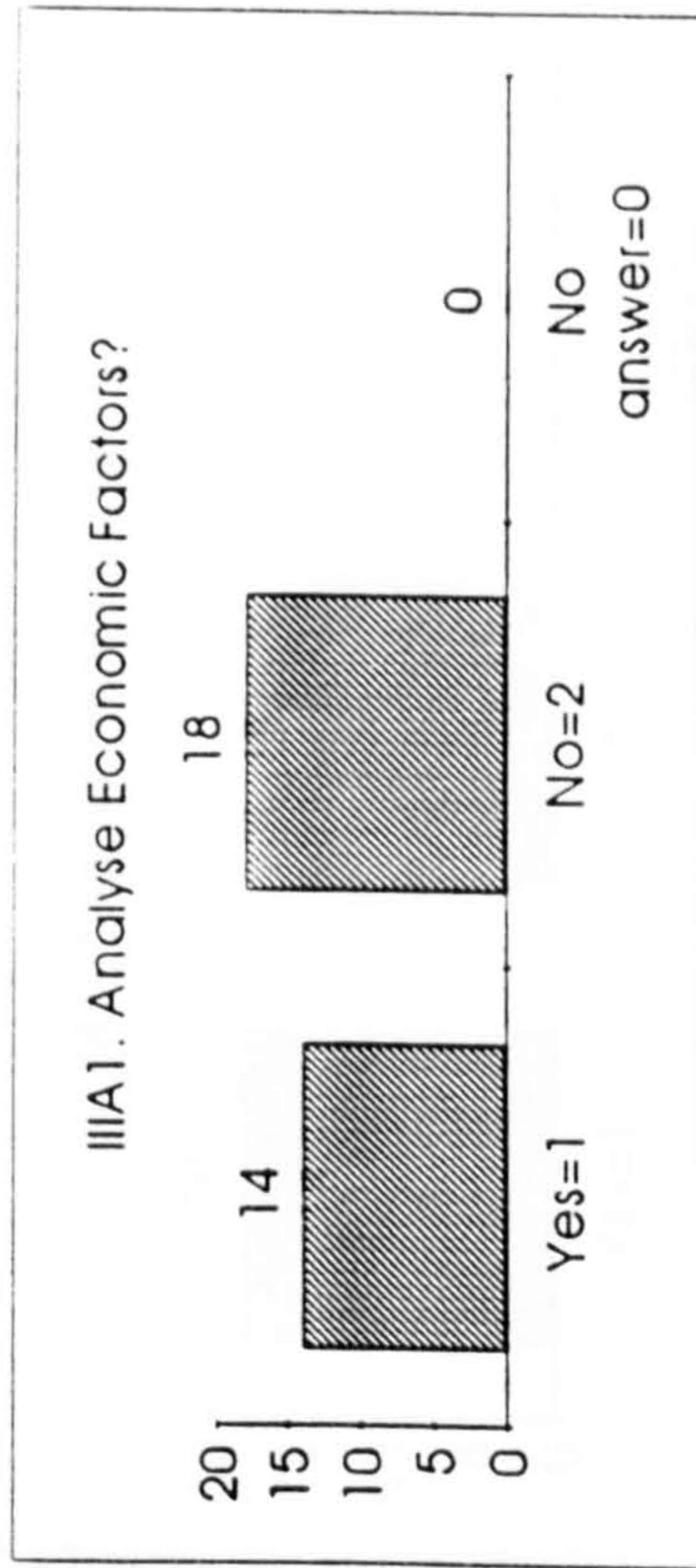
Question 2 "Which of the following factors are included?"

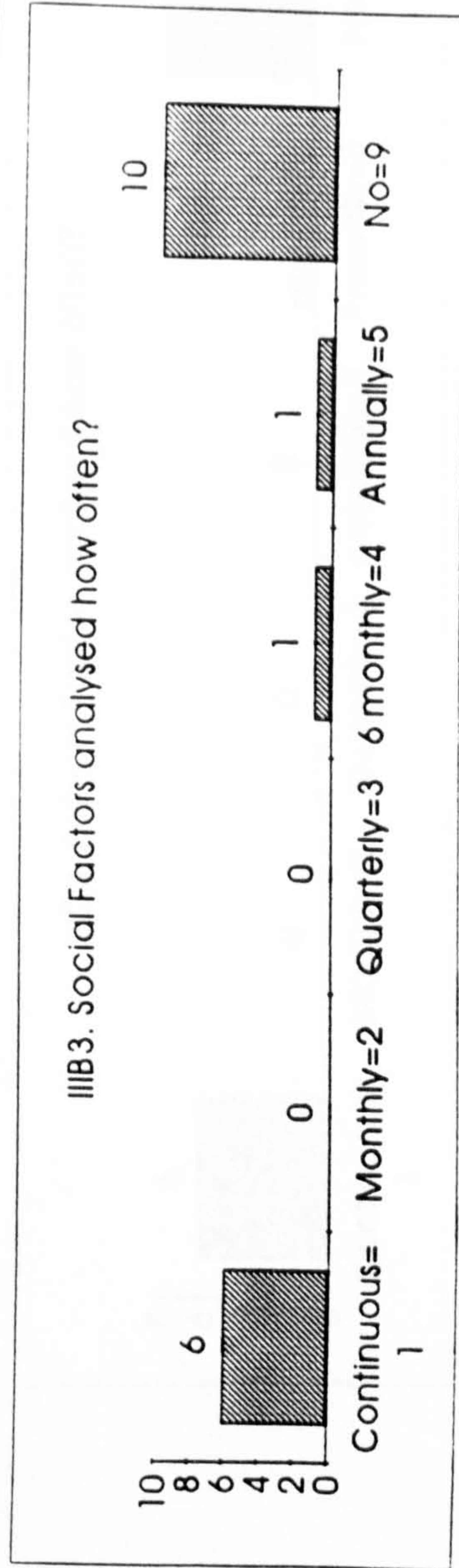
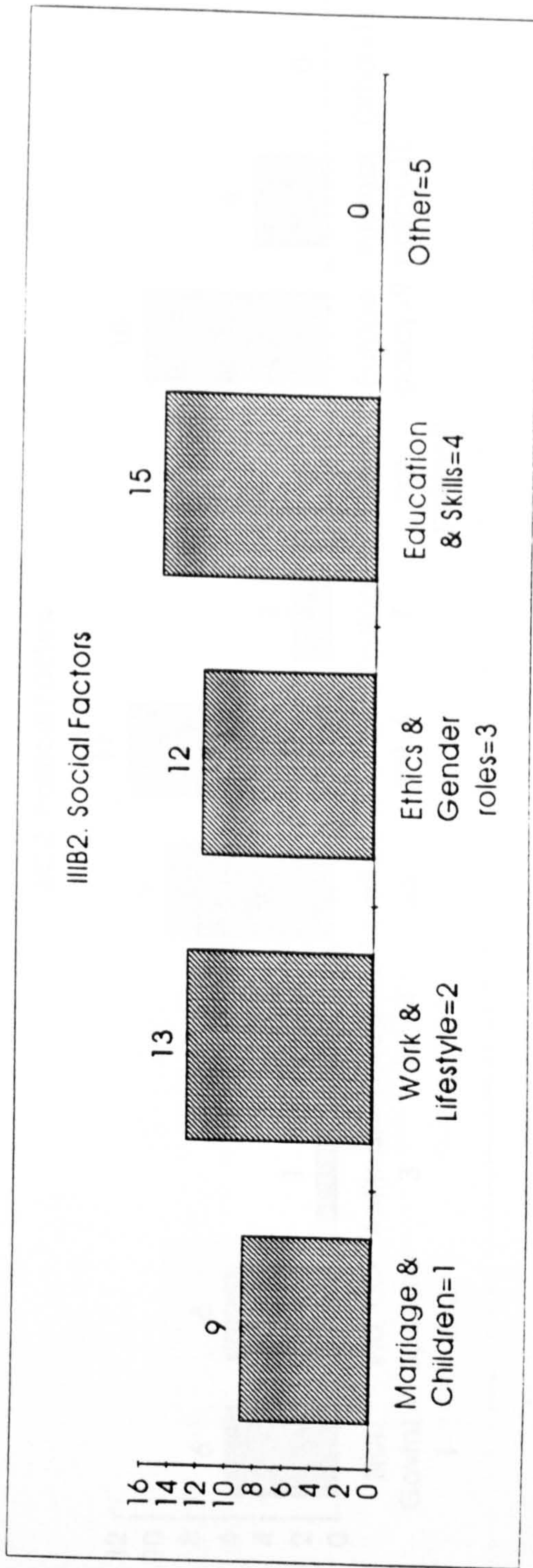
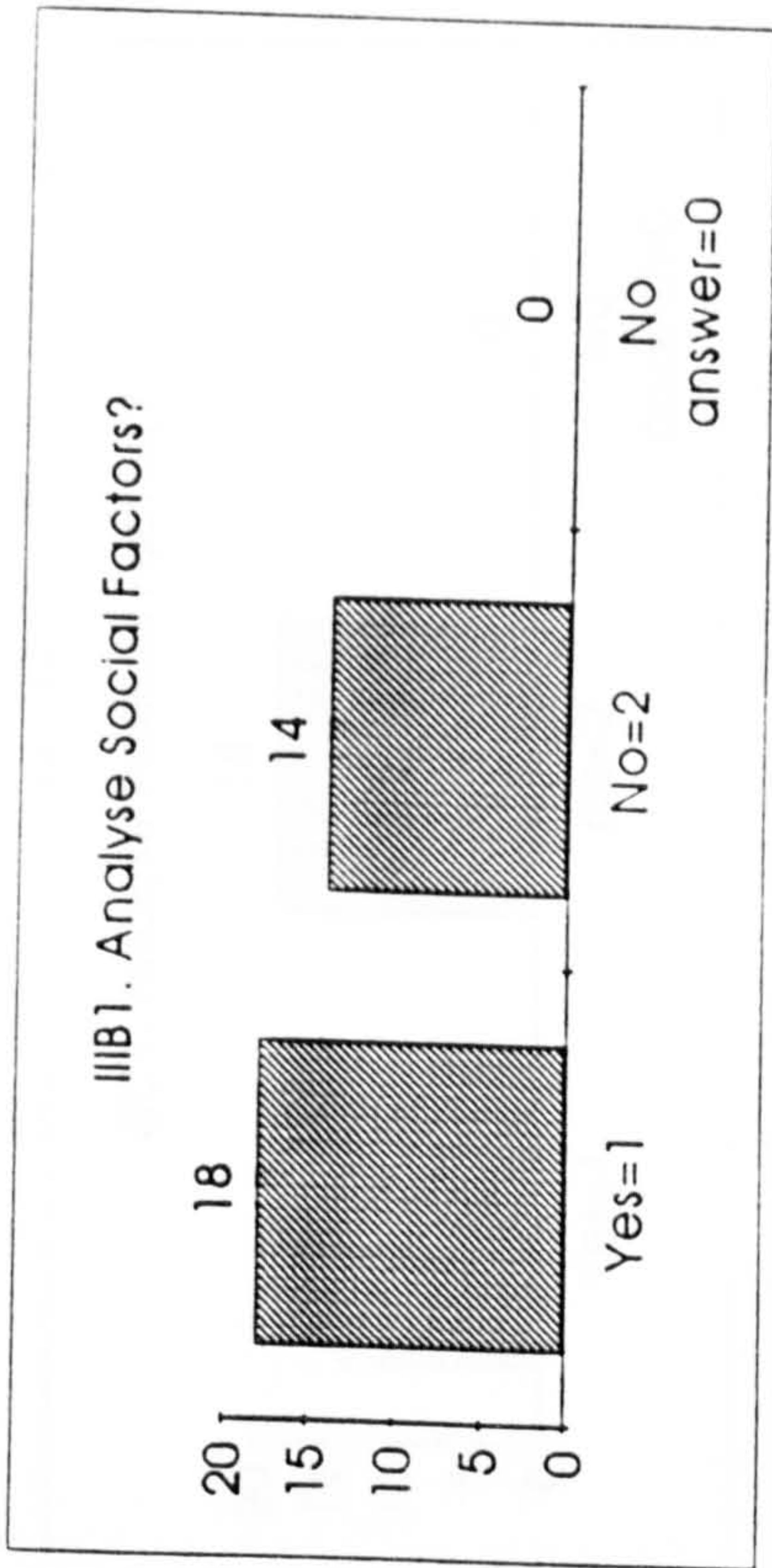
Count	Percent	% of all	Answer	Codes/Criteria:				
1	25.0%	3.1%	Current Issues=1	IIIE21	IIIE22	IIIE23	IIIE24	IIIE25
2	50.0%	6.3%	Future Legisl.=2	TRUE	TRUE	TRUE	TRUE	TRUE
4	100.0%	12.5%	Strictness=3					
2	50.0%	6.3%	Threats=4					
0	0.0%	0.0%	Other=5					
9			Total					

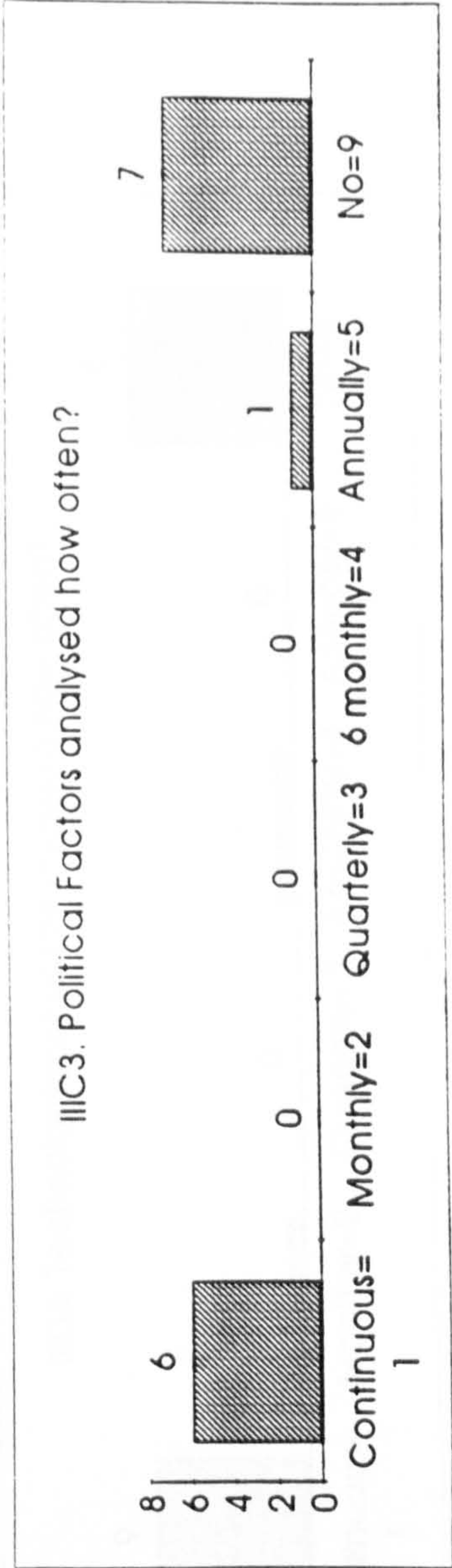
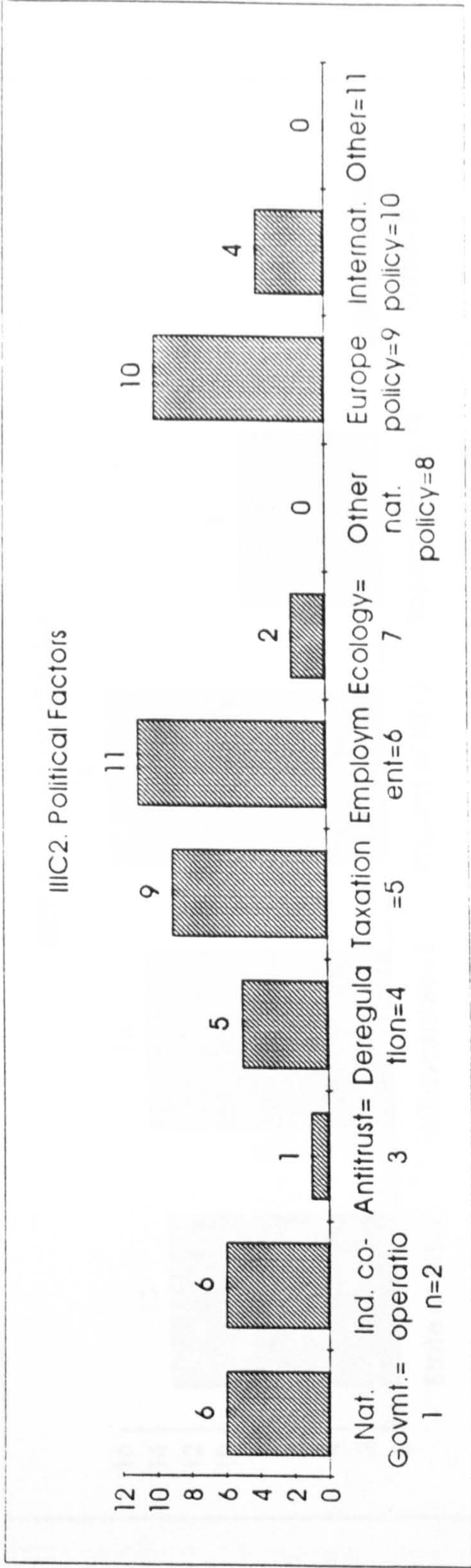
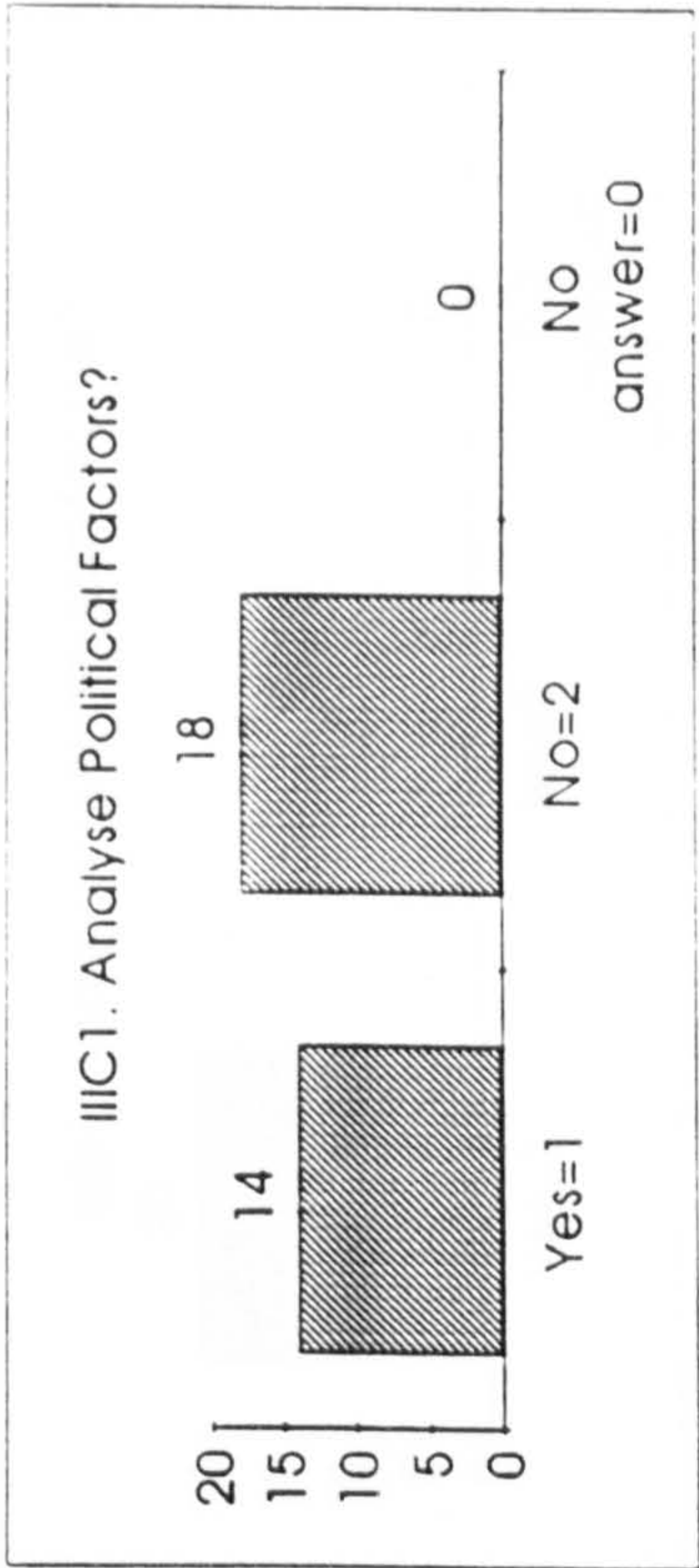
(N.B.: Multiple answers from 4 companies analysing Ecological Factors)

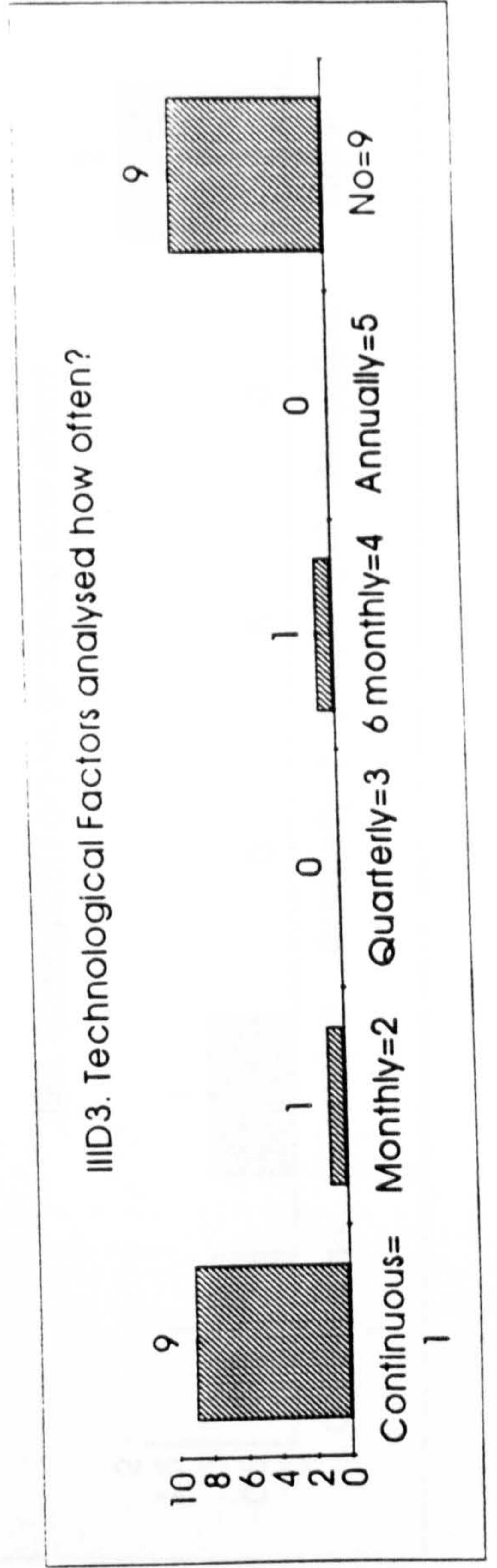
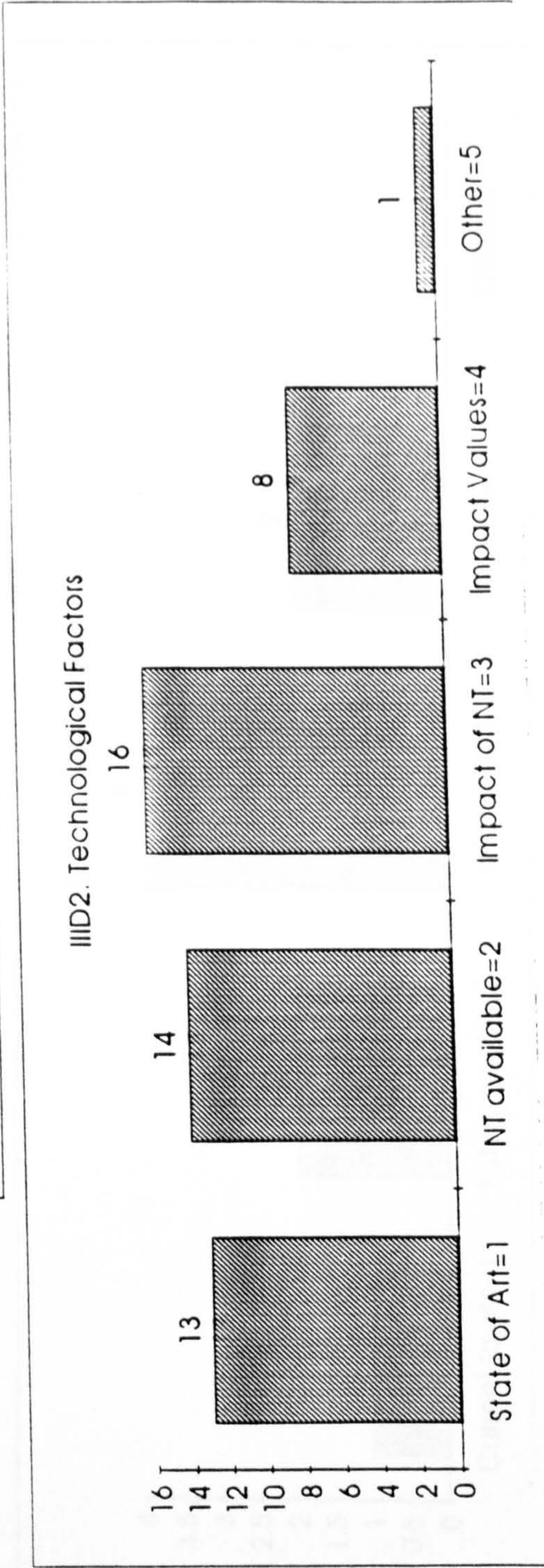
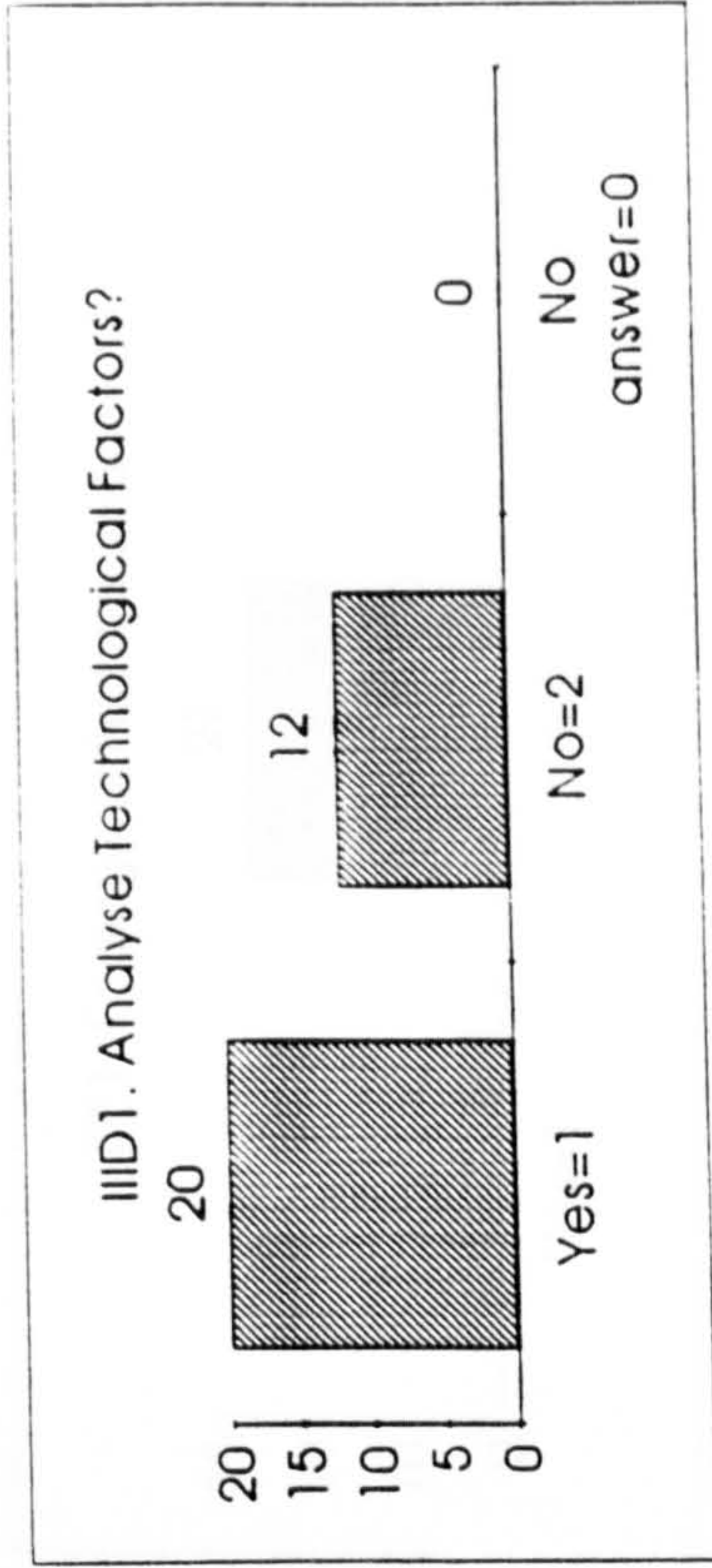
Question 3 "Are the analyses carried out on a regular basis?"

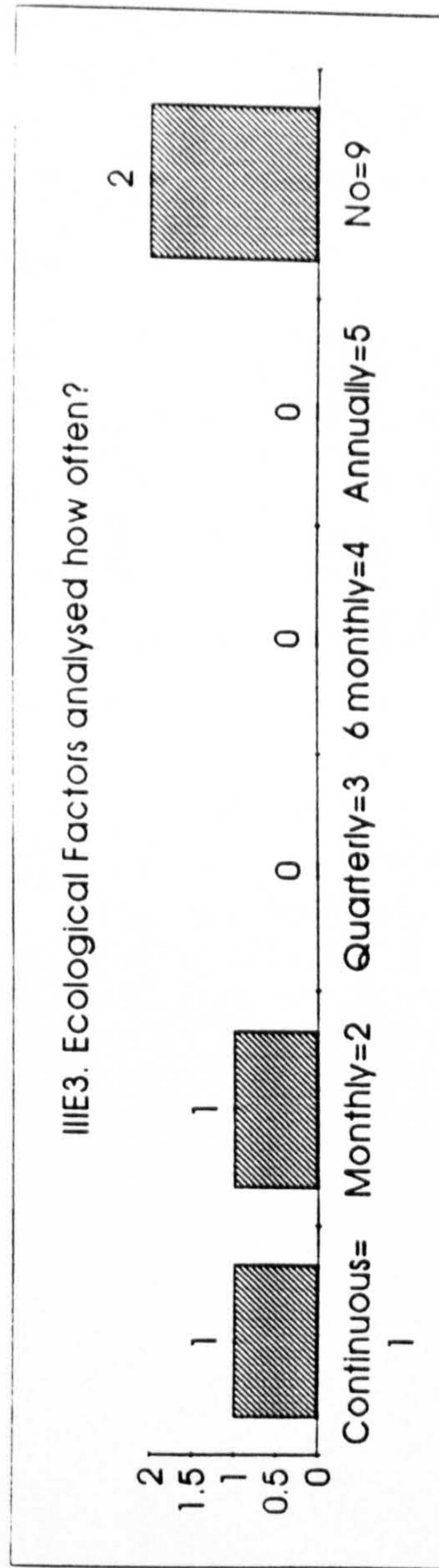
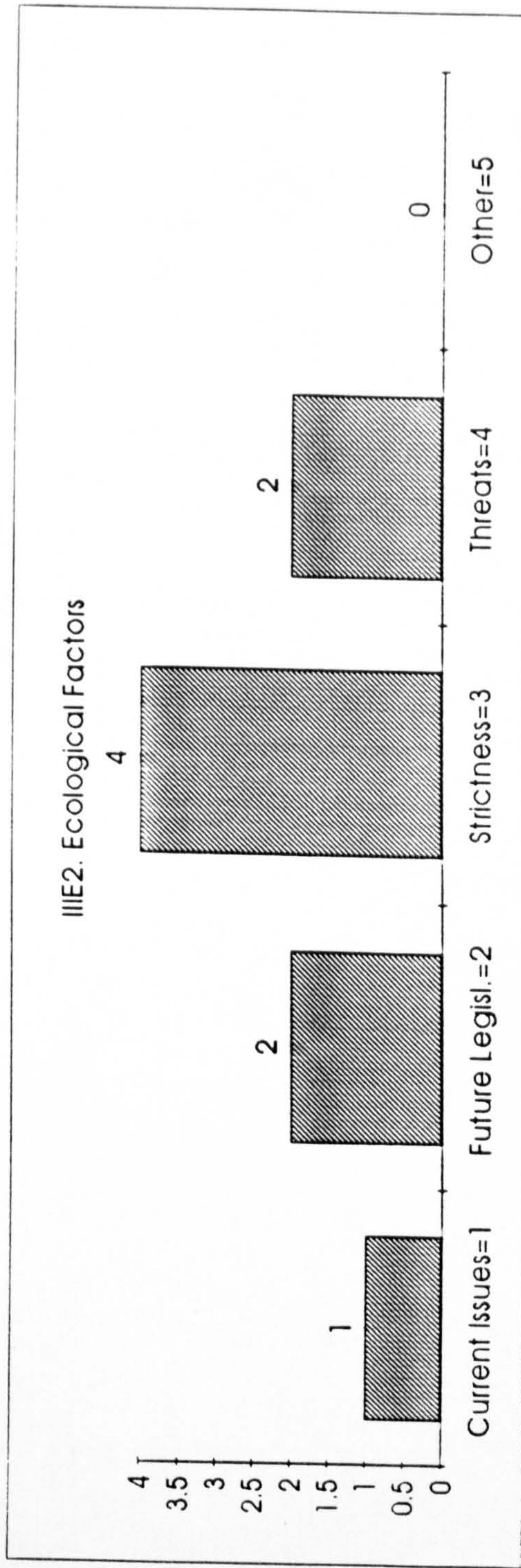
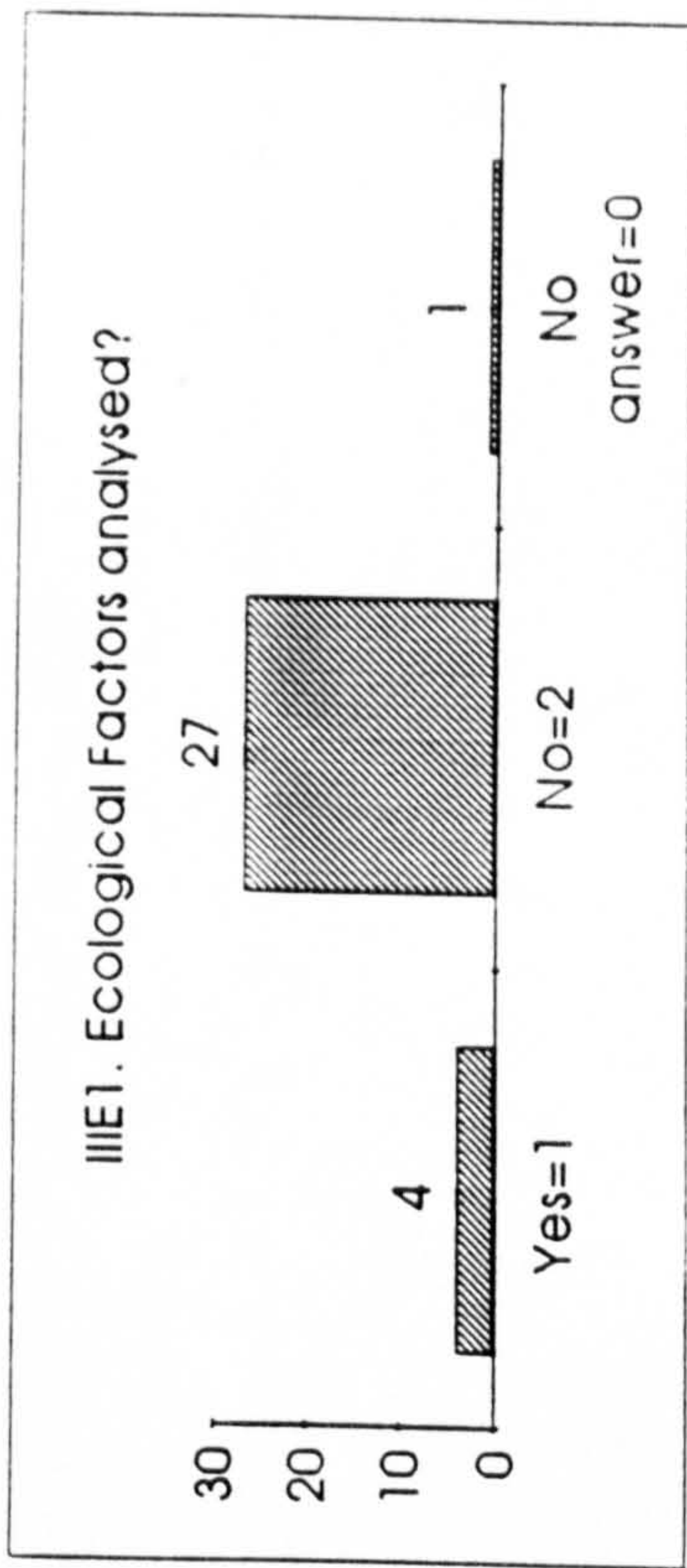
Count	Percent	Answer	Codes/Criteria:				
1	3.1%	Continuous=1	IIIE3	IIIE3	IIIE3	IIIE3	IIIE3
1	3.1%	Monthly=2		1	2	3	4
0	0.0%	Quarterly=3	IIIE3				5
0	0.0%	6 monthly=4					
0	0.0%	Annually=5					
2	6.3%	No=9					
28	87.5%	No answer=0					
32	100.0%	Total					







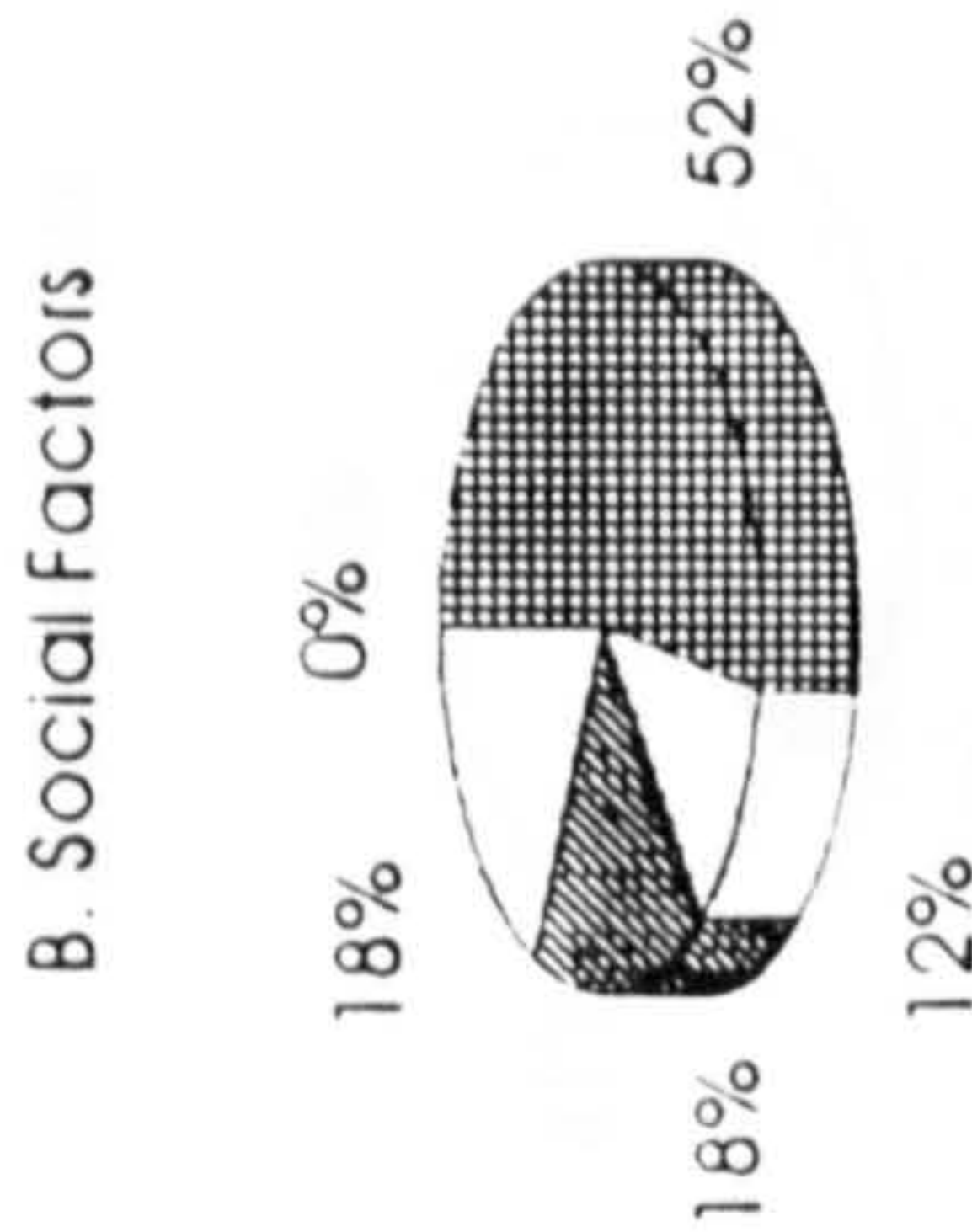
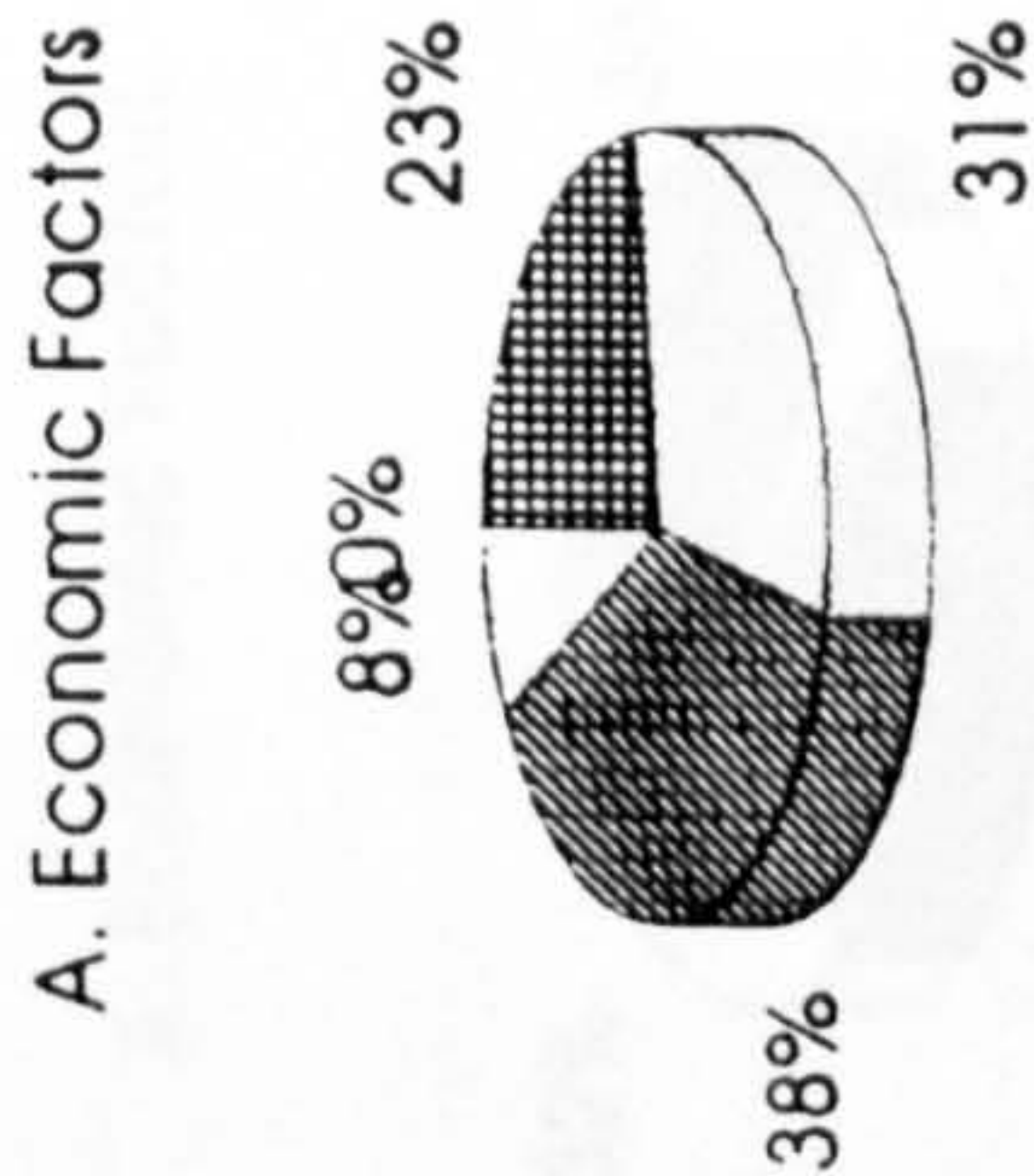




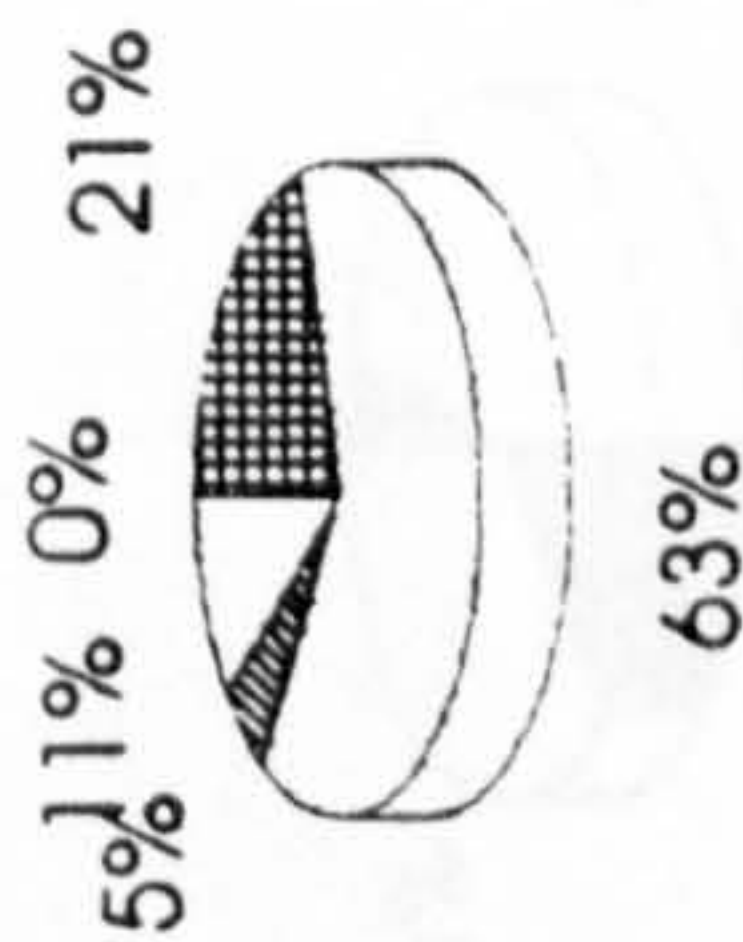
APPENDIX 14

Survey Results Tables and Graphs Section IV

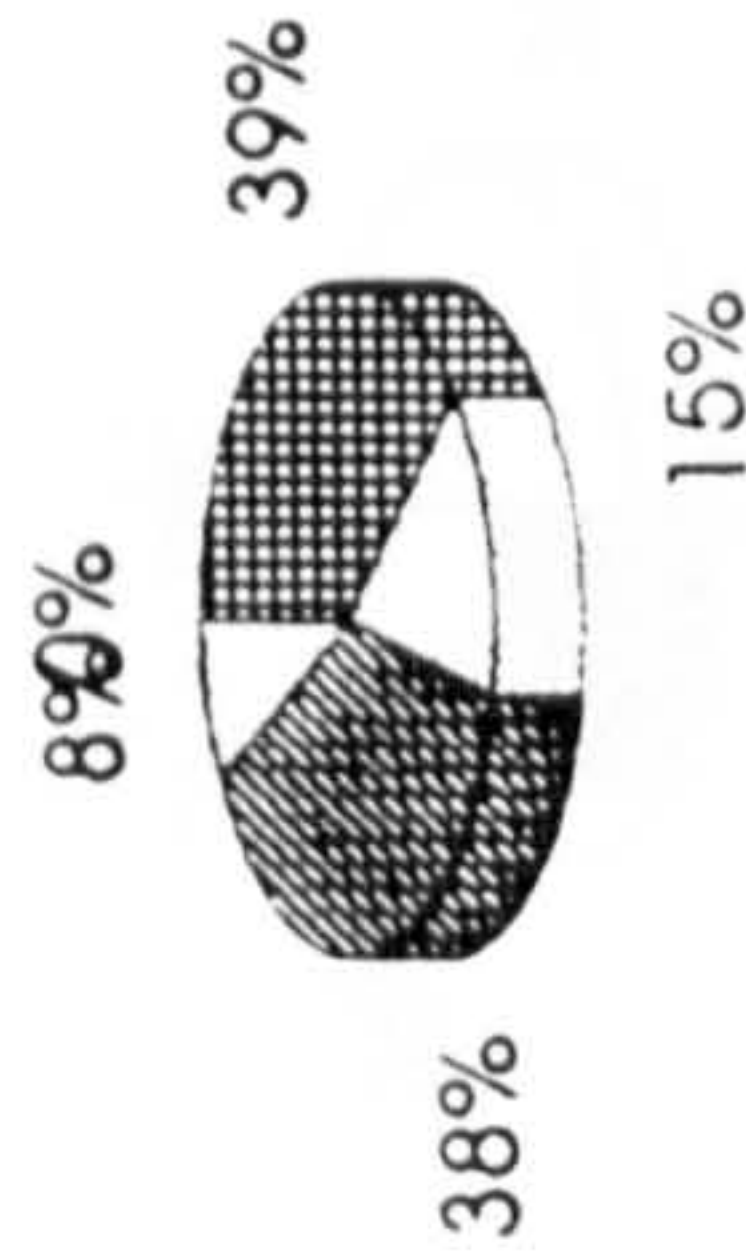
IV1. Where does the data for the analyses come from?



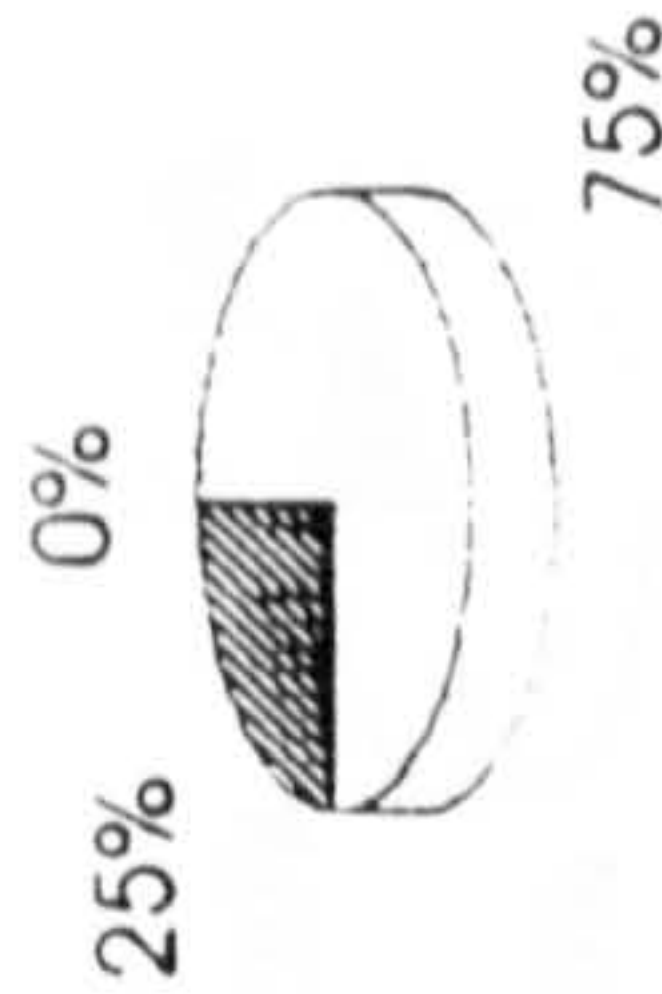
D. Technological Factors



C. Political Factors

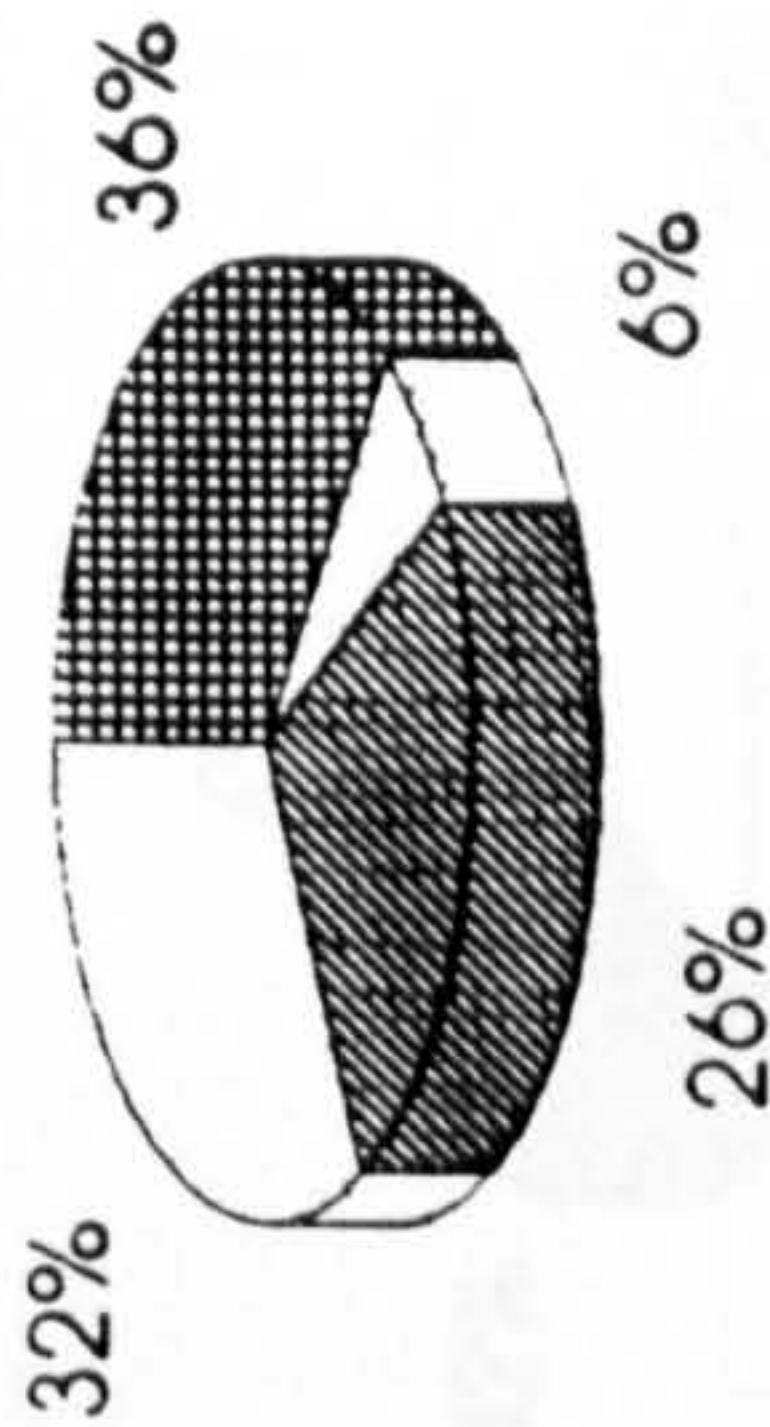


E. Ecological Factors



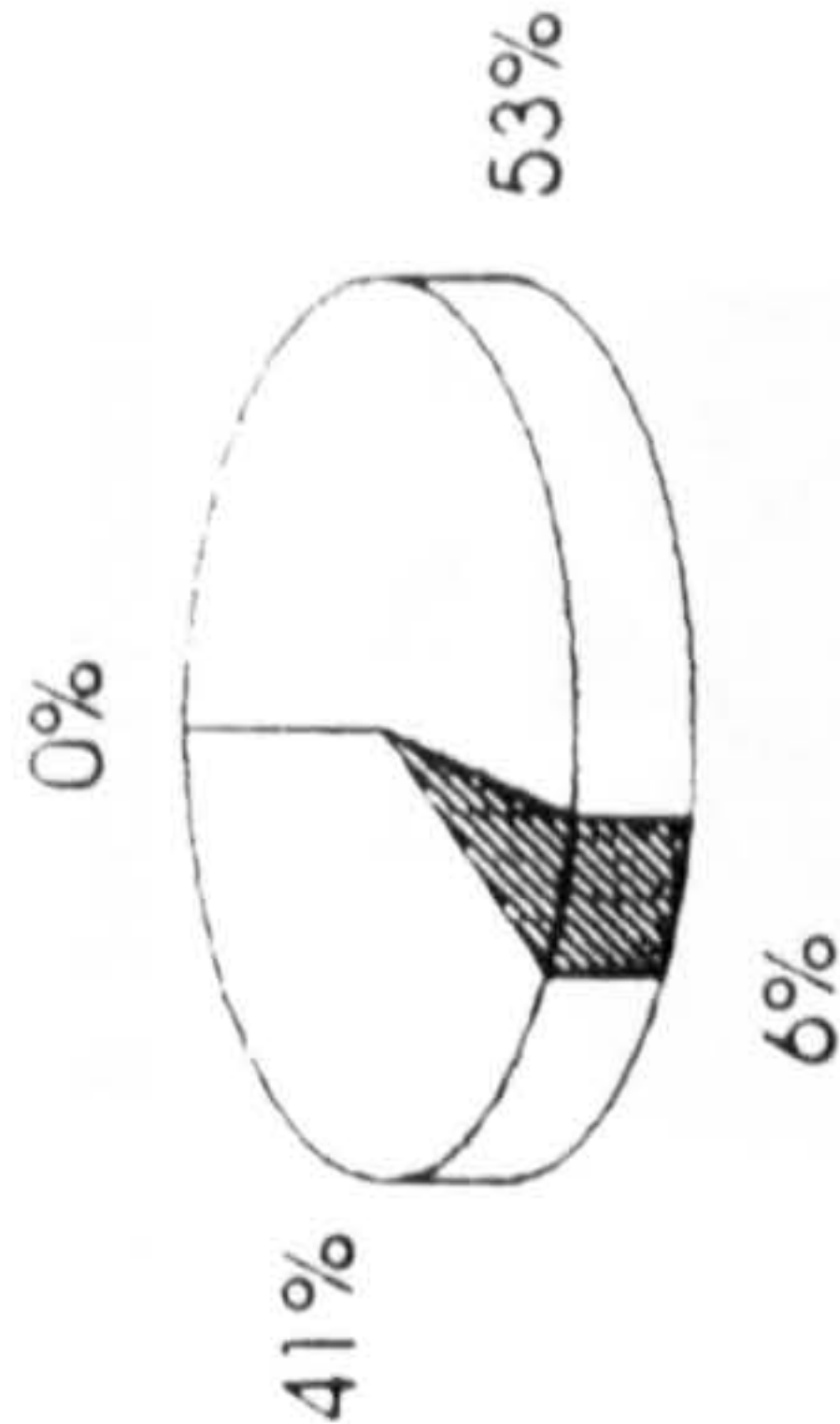
IV2. Are these analyses
predominantly...

A. Economic Factors



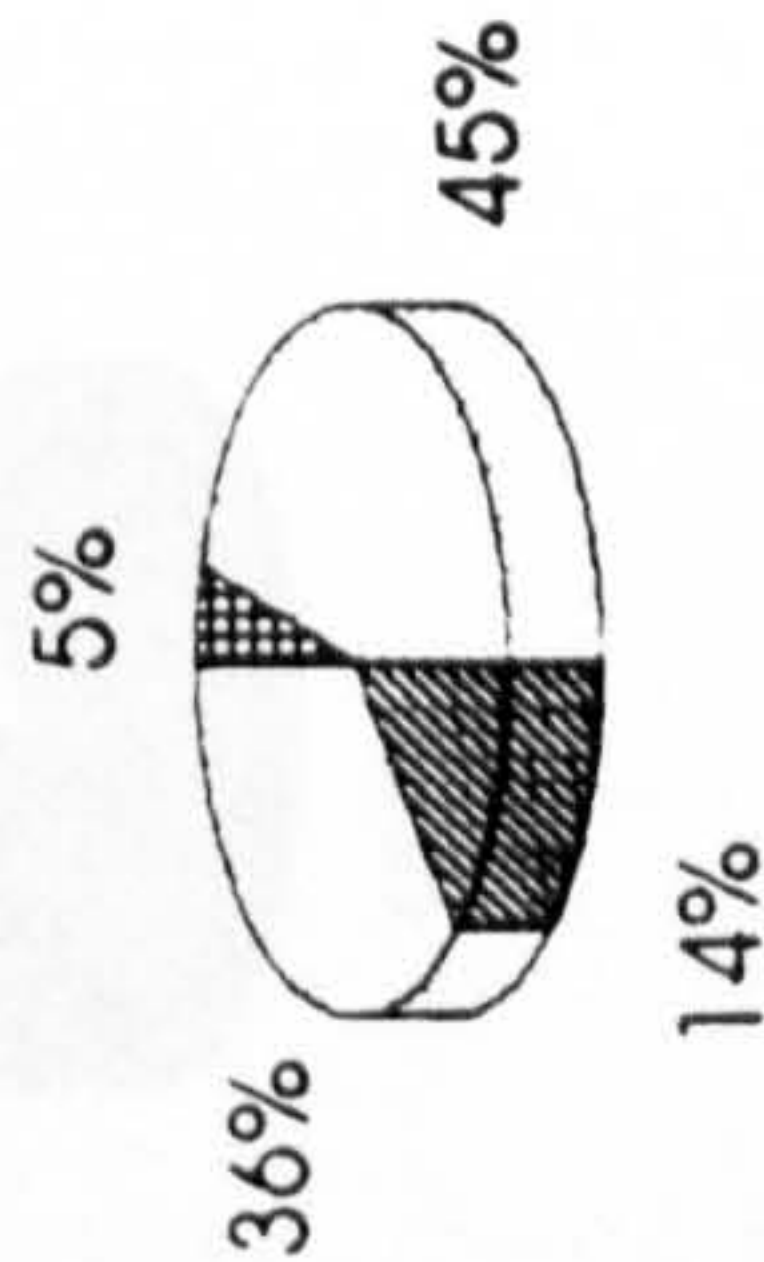
Quantitative
Qualitative
Structured
Unstructured

B. Social Factors



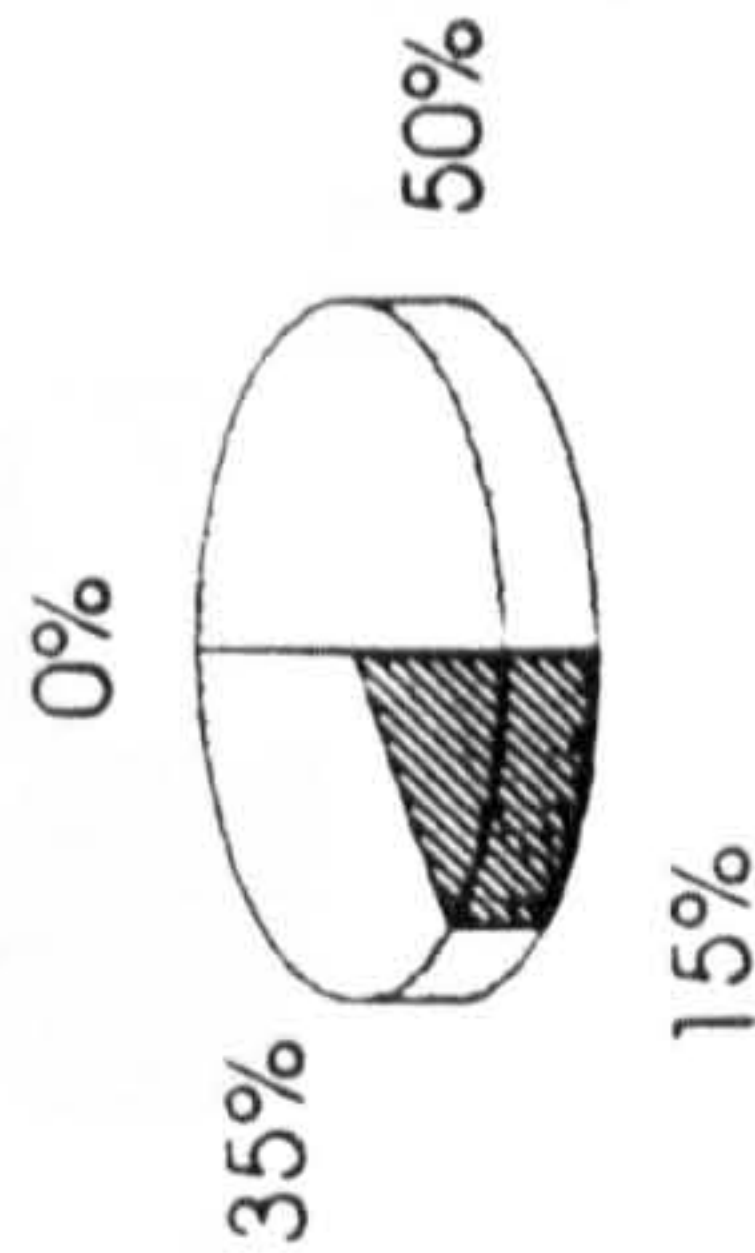
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Qualitative
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C. Political Factors



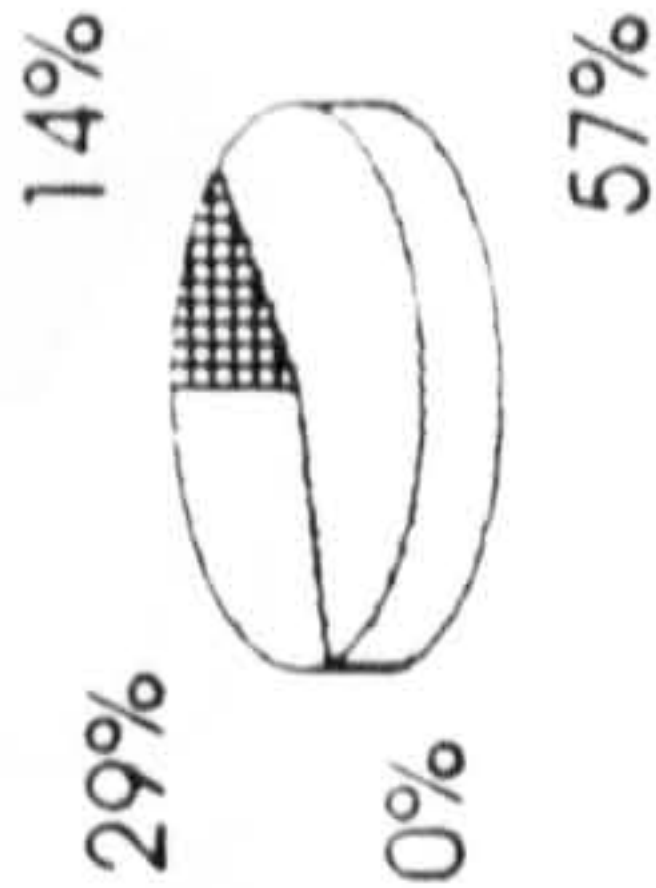
Quantitative
Qualitative
Structured
Unstructured

D. Technological Factors



Quantitative
Qualitative
Structured
Unstructured

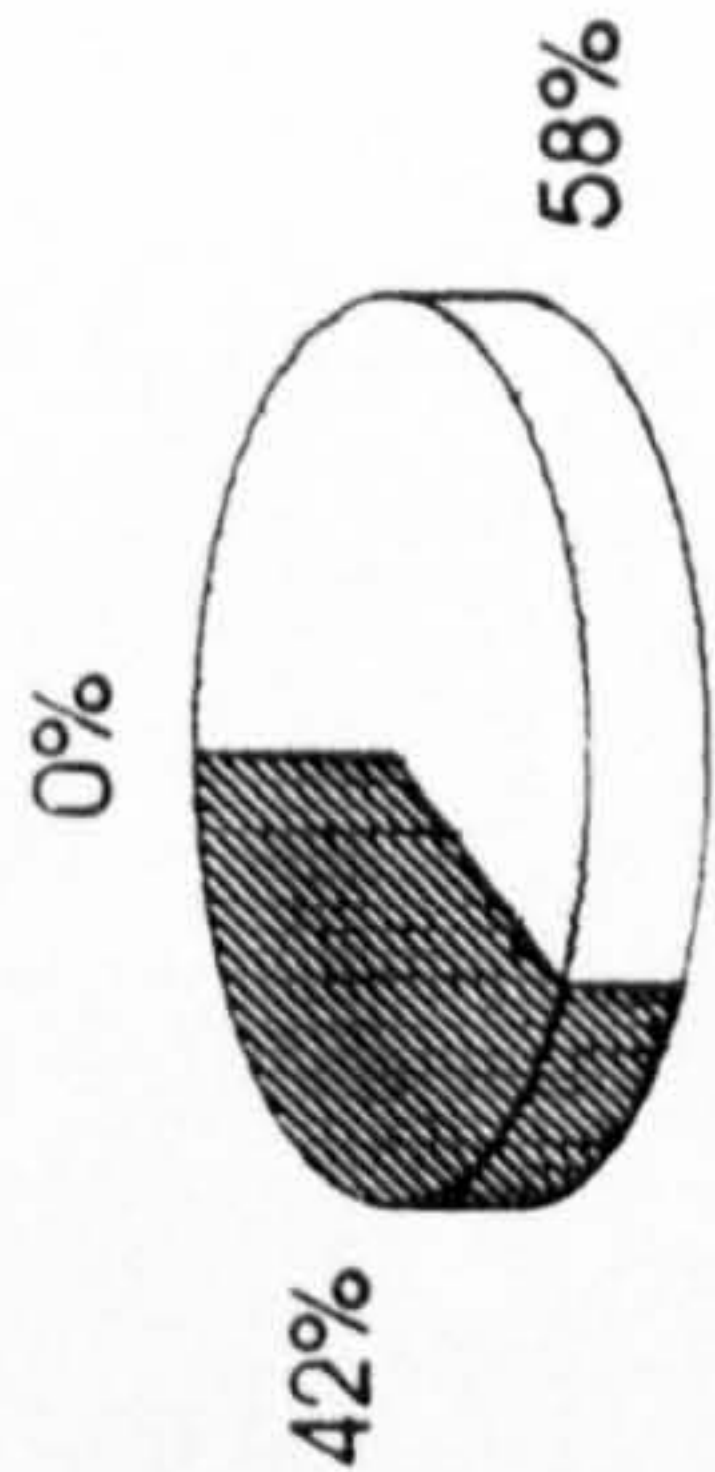
E. Ecological Factors



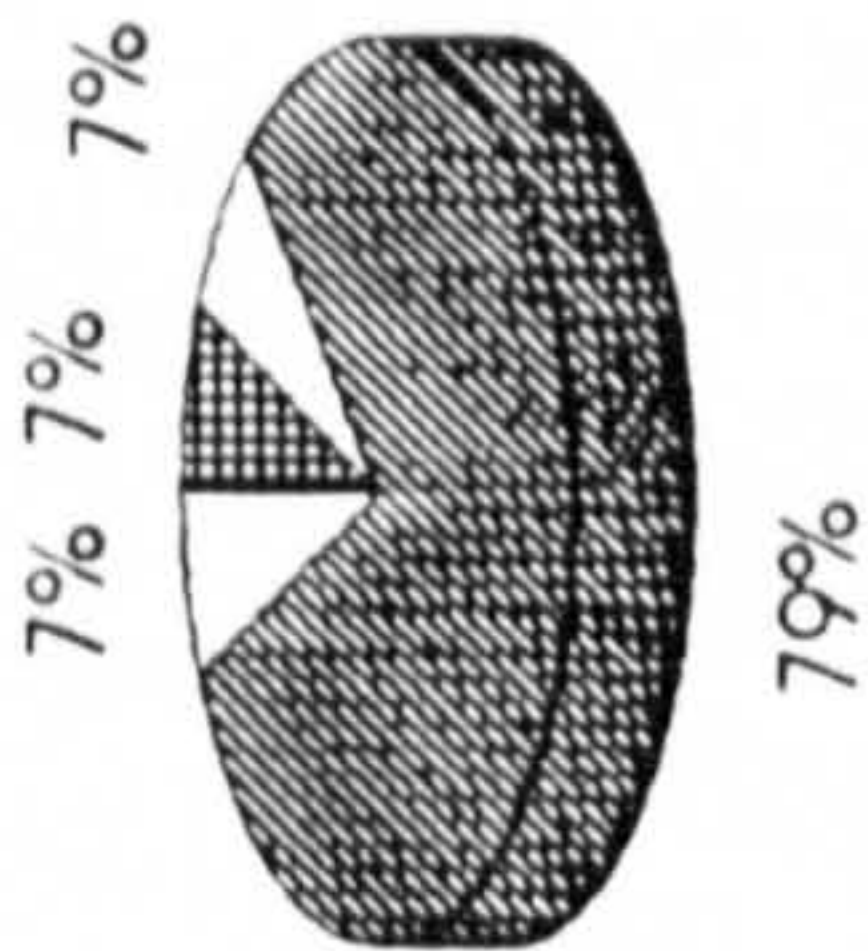
Quantitative
Qualitative
Structured
Unstructured

IV3. Do you use computers for these analyses?

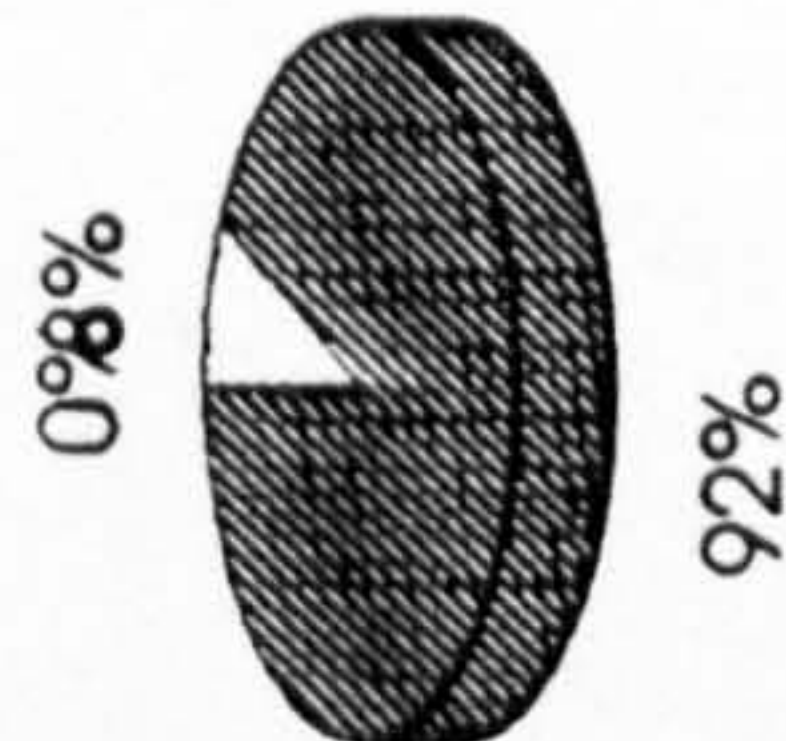
A. Economic Factors



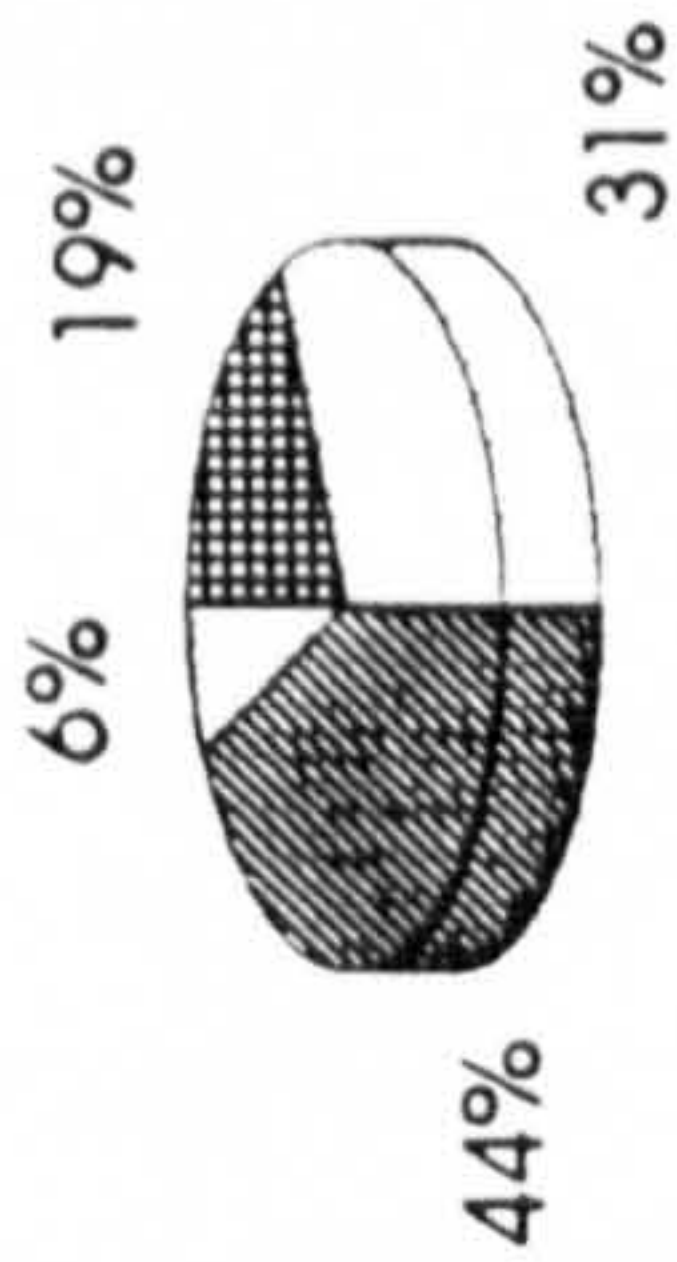
B. Social Factors



C. Political Factors



D. Technological Factors



E. Ecological Factors



APPENDIX 15

Survey Results Tables and Graphs Section V
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ANALYSIS OF SECTION 5 THE ORGANISATION'S INDUSTRY ENVIRONMENT

Question 1 "In which geographical markets does your organisation compete?"

			Codes/Criteria:					
Count	Percent	Answer	V1	V1	V1	V1	V1	V1
0	0.0%	Local=1	1	2	3	4	5	6
3	9.4%	Regional=2						0
15	46.9%	National=3						
3	9.4%	Europe=4						
11	34.4%	International=5						
0	0.0%	Don't know=6						
0	0.0%	No answer=0						
32	100.0%	Total						

Question 2 "Does the HR function analyse the likelihood of New Entrants?"

			Codes/Criteria:		
Count	Percent	Answer	V2	V2	V2
9	28.1%	Yes=1	1	2	0
22	68.8%	No=2			
1	3.1%	No answer=0			
32	100.0%	Total			

Question 3 "What do you consider as the main barrier to New Entrants?"

			Codes/Criteria:			
Count	Percent	Answer	V3	V3	V3	V3
6	20.0%	Econ. of Scale=1	1	2	3	4
3	10.0%	Prod. diff.=2				5
7	23.3%	Capital reqd.=3				6
0	0.0%	Cost disadv.=4				7
4	13.3%	Access to distr.=5				0
2	6.7%	Government Policy=6				
5	16.7%	Don't know=7				
3	10.0%	No answer=0				
30	100.0%	Total				

Question 4 "Does the HR function monitor the development of substitutes?"

Count	Percent	Answer
2	6.3%	Yes=1
30	93.8%	No=2
0	0.0%	No answer=0
32	100.0%	Total

Codes/Criteria:
V4 1 2 0
V4

Question 5 "Does the HR function monitor competitors?"

Count	Percent	Answer
19	59.4%	Yes=1
13	40.6%	No=2
0	0.0%	No answer=0
32	100.0%	Total

Codes/Criteria:
V5 1 2 0
V5

Question 6 "If YES, which factors do you pay attention to?"

Count	Percent	% of all	Answer
3	15.8%	9.4%	Market Share=1
1	5.3%	3.1%	Product/Service Breadth=2
3	15.8%	9.4%	Price Compet.=3
3	15.8%	9.4%	Financial pos.=4
3	15.8%	9.4%	Experience=5
2	10.5%	6.3%	Technology=6
18	94.7%	56.3%	Human Resources=7
33			Total

Codes/Criteria:
V6a TRUE V6b TRUE V6c TRUE V6d TRUE V6e TRUE V6f TRUE V6g TRUE
V6a

(N.B.: Multiple answers from 19 HR functions that monitor competitors)

Question 7a "Do you develop competitor profiles in your function?"

Count	Percent	Answer	Codes/Criteria:		
3	9.4%	Yes=1	V7a	V7a	V7a
20	62.5%	No=2	1	2	0
9	28.1%	No answer=0			
32	100.0%	Total			

Question 7b "If YES, which factors do you include?"

Count	Percent	% of all	Answer	Codes/Criteria:			
1	33.3%	3.1% Profits=1		V7ba	V7bb	V7bc	V7bd
0	0.0%	0.0% Turnover=2		TRUE	TRUE	TRUE	TRUE
0	0.0%	0.0% Market Share/Penet.=3					
0	0.0%	0.0% Labour I/O=4					
1		Total					

(N.B.: Multiple answers from 3 HR functions that develop competitor profiles)

Question 8a "How would you rate supplier power?"

Count	Percent	Answer	Codes/Criteria:					
4	12.5%	Very high=1	V8a	V8a	V8a	V8a	V8a	V8a
4	12.5%	High=2	1	2	3	4	5	6
12	37.5%	Moderate=3						0
1	3.1%	Low=4						
1	3.1%	Very Low=5						
10	31.3%	No answer/Don't know=0 and 6						
32	100.0%	Total						

Mean 2.6

Question 8b "How would you rate buyer power?"

Count	Percent	Answer	Codes/Criteria:					
6	18.8%	Very high=1	V8b	V8b	V8b	V8b	V8b	V8b
10	31.3%	High=2	1	2	3	4	5	6
4	12.5%	Moderate=3						
1	3.1%	Low=4						
1	3.1%	Very Low=5						
10	31.3%	No answer/Don't know=0 and 6						
32	100.0%	Total						
Mean		2.1						

Question 9 "Does buyer and supplier power influence any of these?"

Count	% of all	Answer	Codes/Criteria:					
13	40.6%	Train. & Dev.=1	V9a	V9b	V9c	V9d	V9e	V9f
14	43.8%	Recruitment=2	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
13	40.6%	Remuneration=3						
5	15.6%	Job Design=4						
4	12.5%	No impact=5						
9	28.1%	Don't know =6						
58		Total						

Question 10a "Does the HR function have input into customer surveys?"

Count	Percent	Answer	Codes/Criteria:		
3	9.4%	Yes=1	V10a	V10a	V10a
29	90.6%	No=2	1	2	0
0	0.0%	No answer=0			
32	100.0%	Total			

Question 10b "Do you have access to any of the following?"

Count	Percent	% of all	Answer	Codes/Criteria:			
15	68.2%	46.9%	Customer info=1	V10ba	V10bb	V10bc	V10bd
11	50.0%	34.4%	Customer profiles=2	TRUE	TRUE	TRUE	TRUE
16	72.7%	50.0%	Survey results=3				
10	45.5%	31.3%	No access=4				
52			Total				
(N.B.: Multiple answers to 1, 2 and 3 from				22	HR functions that have access to customer information)		

Question 10c "If you have access to above info, do you use it for any of the following?"

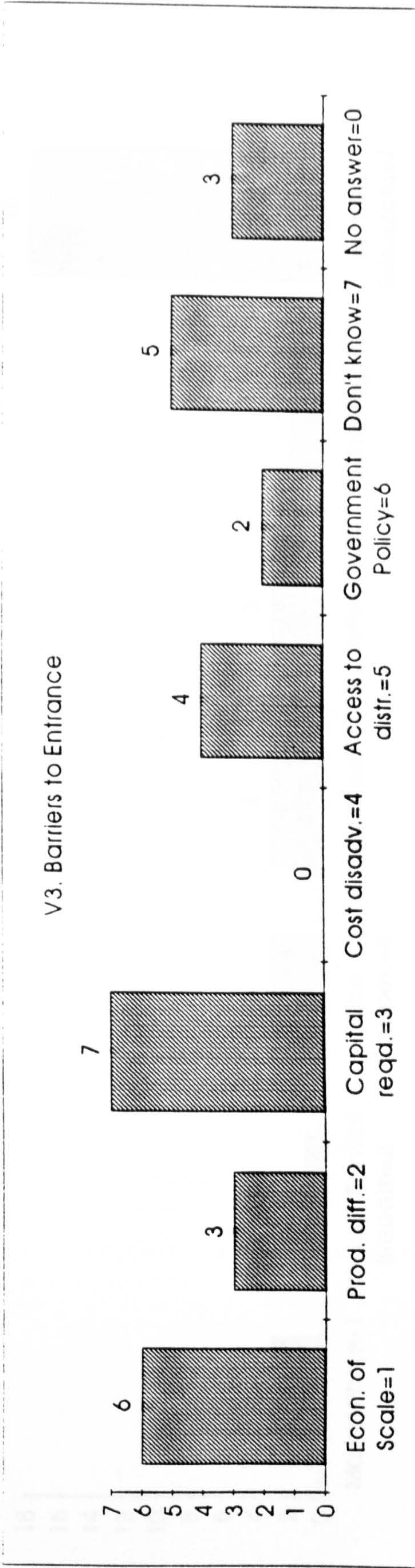
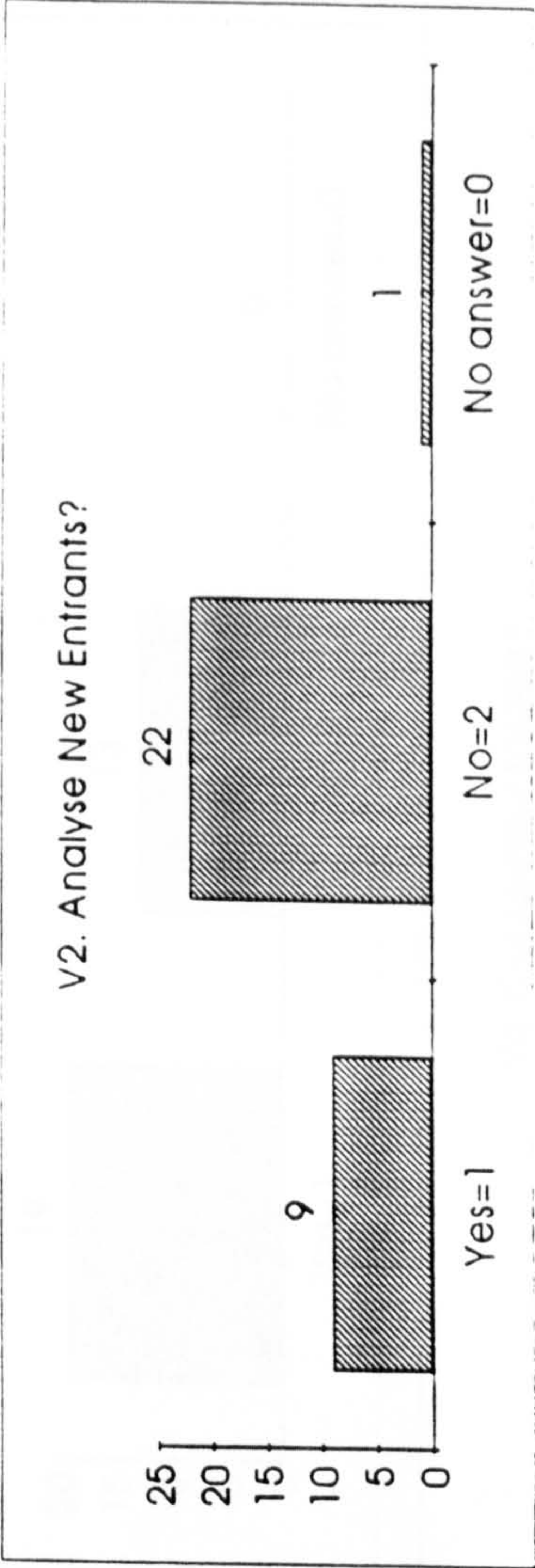
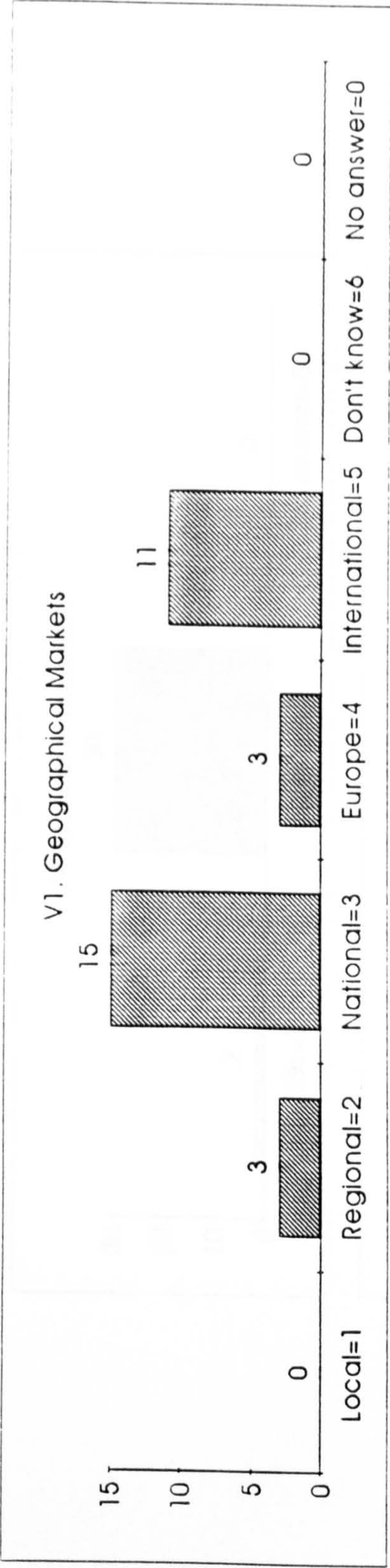
Count	Percent	% of all	Answer	Codes/Criteria:			
2	9.1%	6.3%	Breakdown/Oper. unit=1	V10ca	V10cb	V10cc	V10cd
8	36.4%	25.0%	Det. quant. staff=2	TRUE	TRUE	TRUE	TRUE
9	40.9%	28.1%	Det. qual. staff=3				
0	0.0%	0.0%	Customer change=4				
6	27.3%	18.8%	Don't know=5				
1	4.5%	3.1%	Other=6				
26			Total				

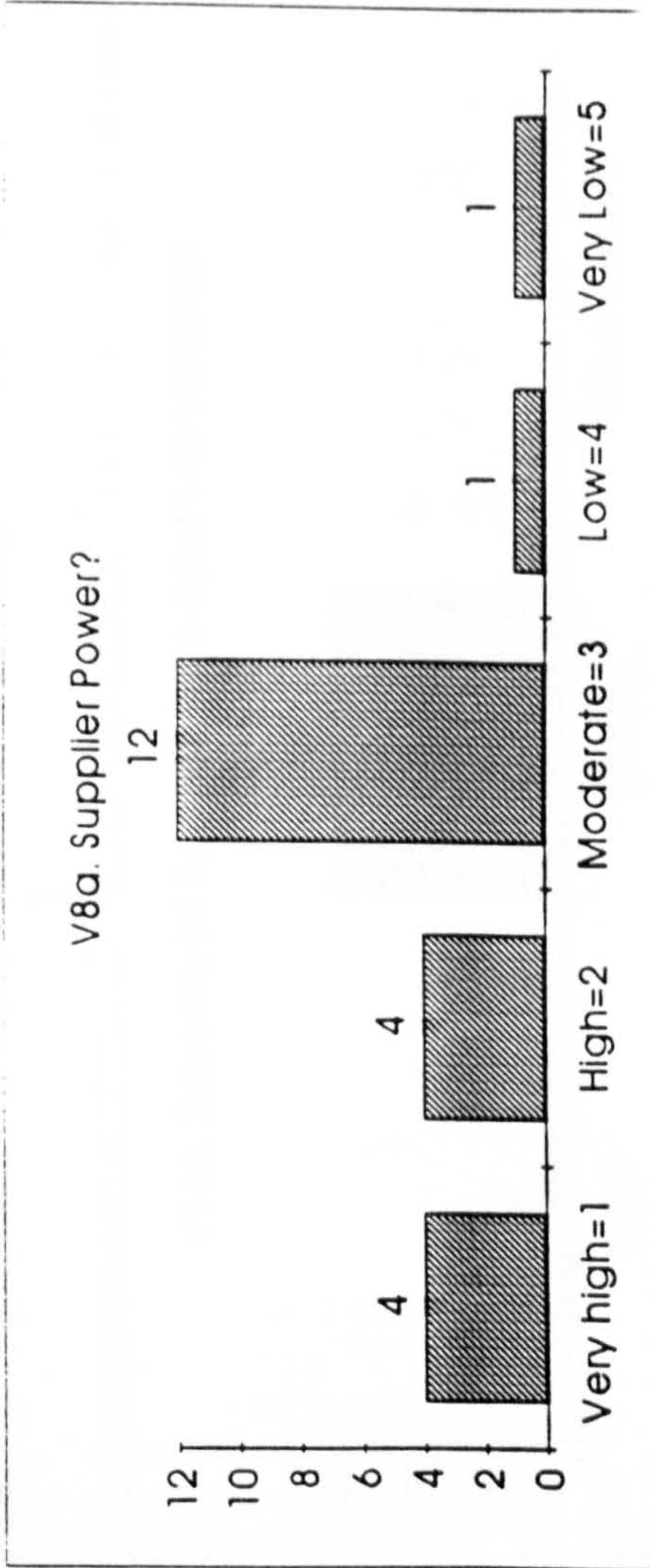
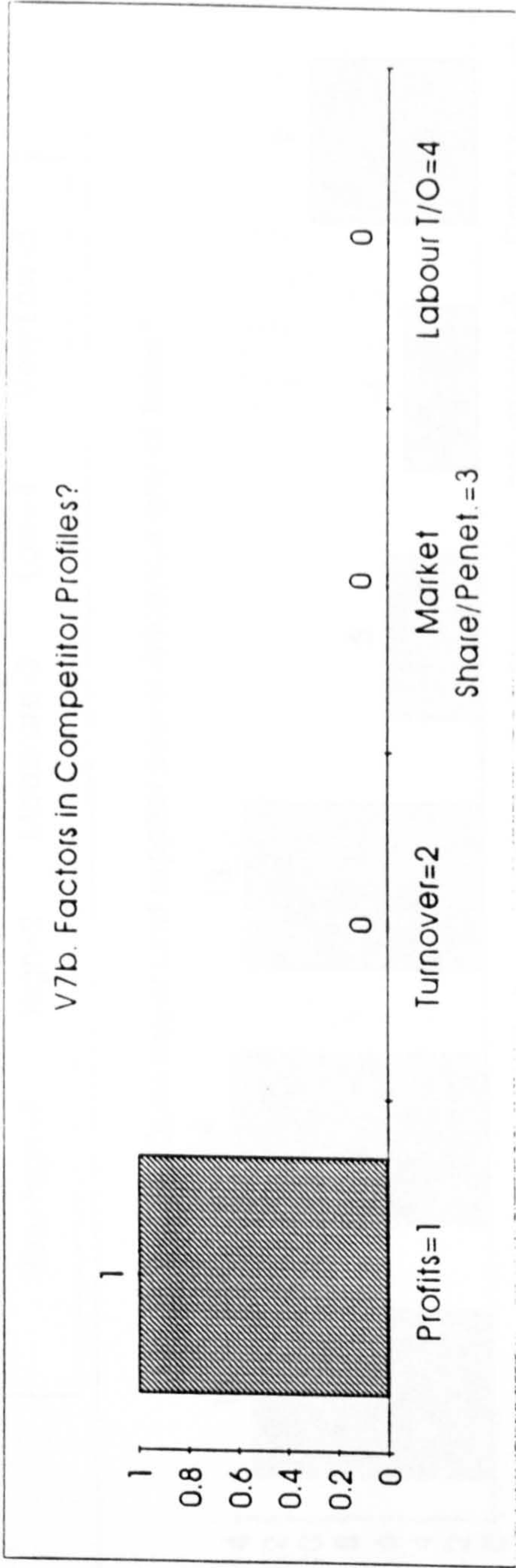
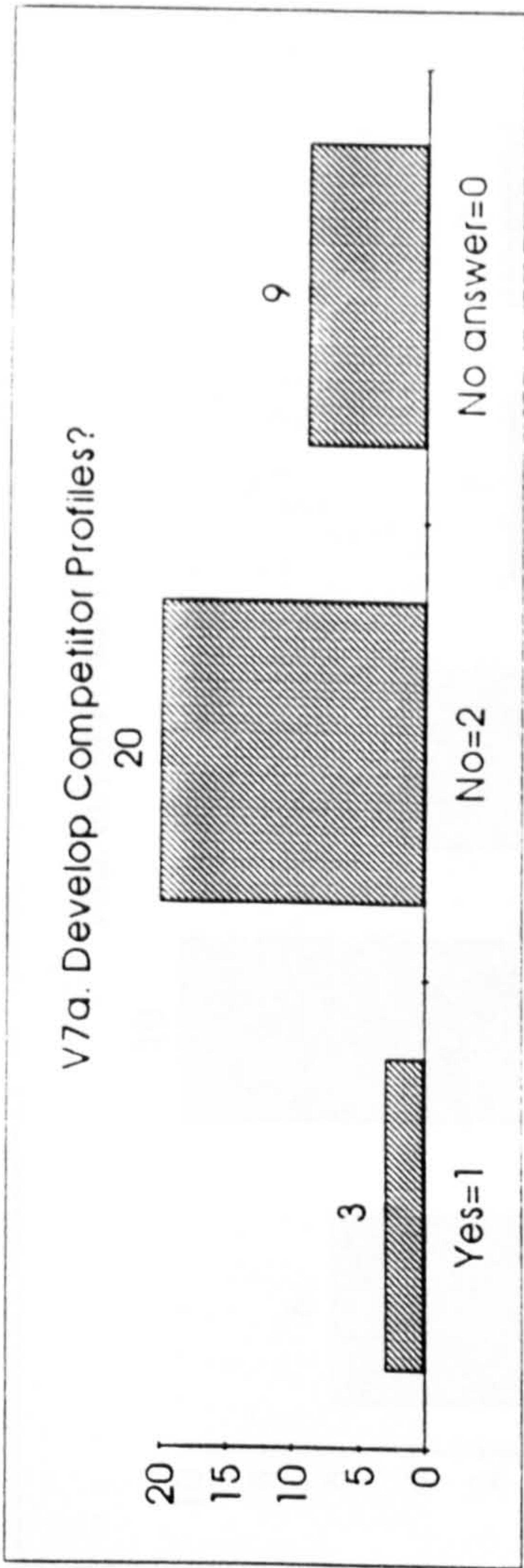
(N.B.: Multiple answers from 22 HR functions that have access to any customer information)

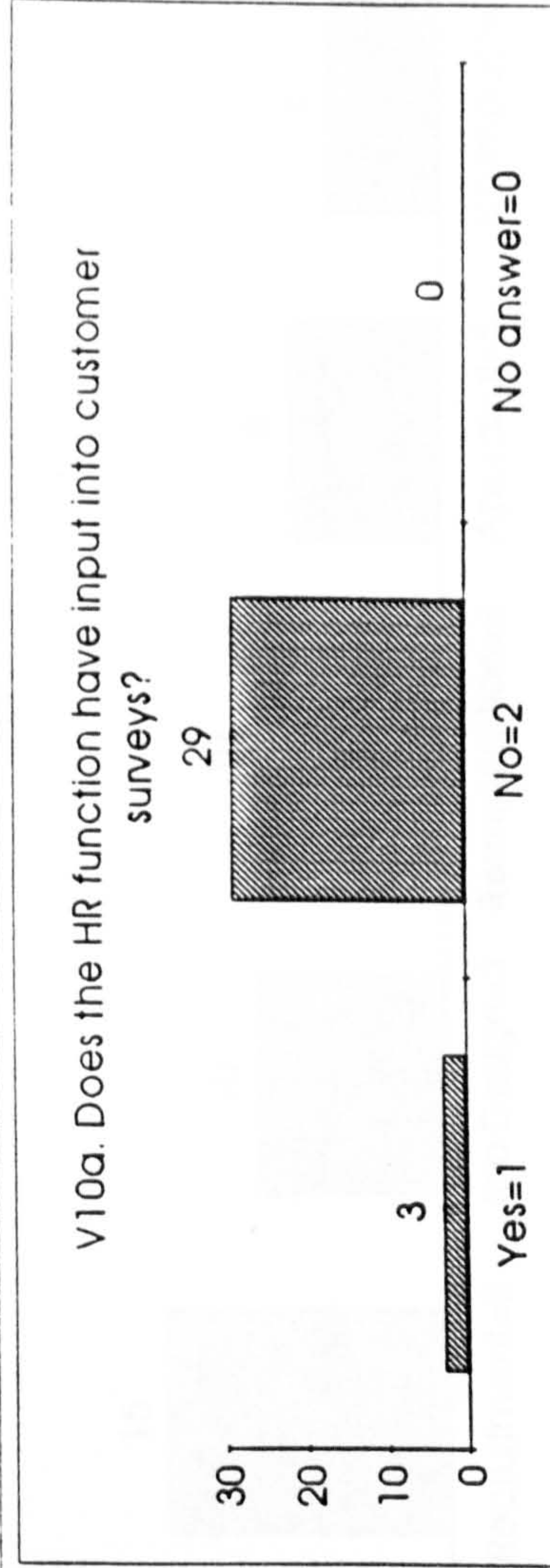
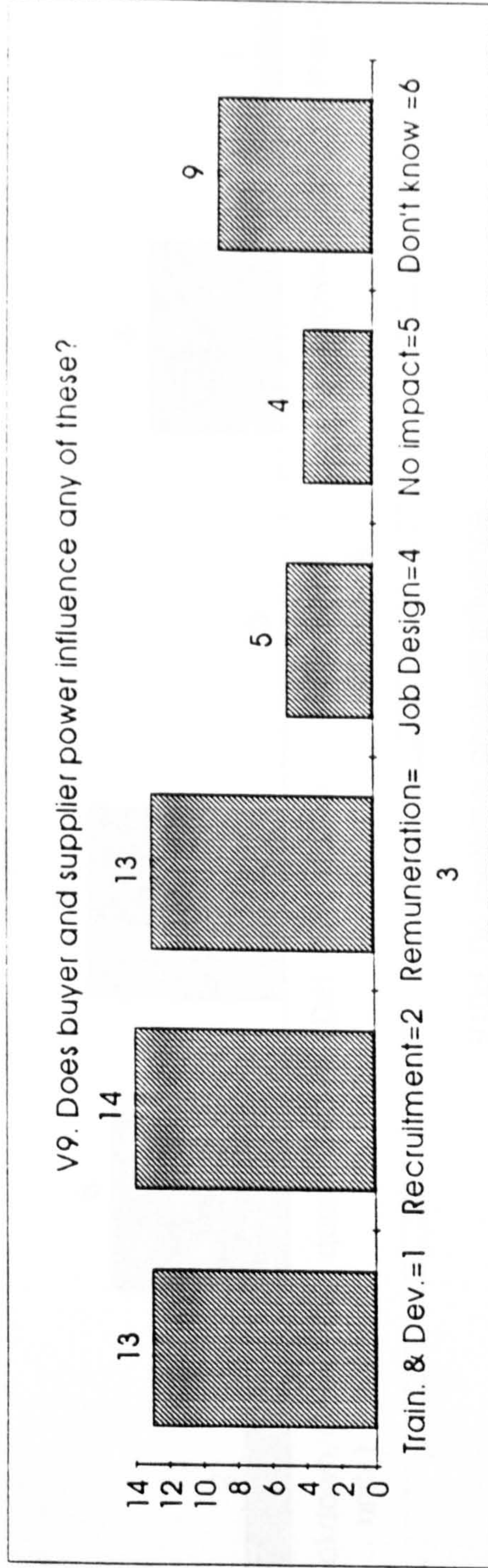
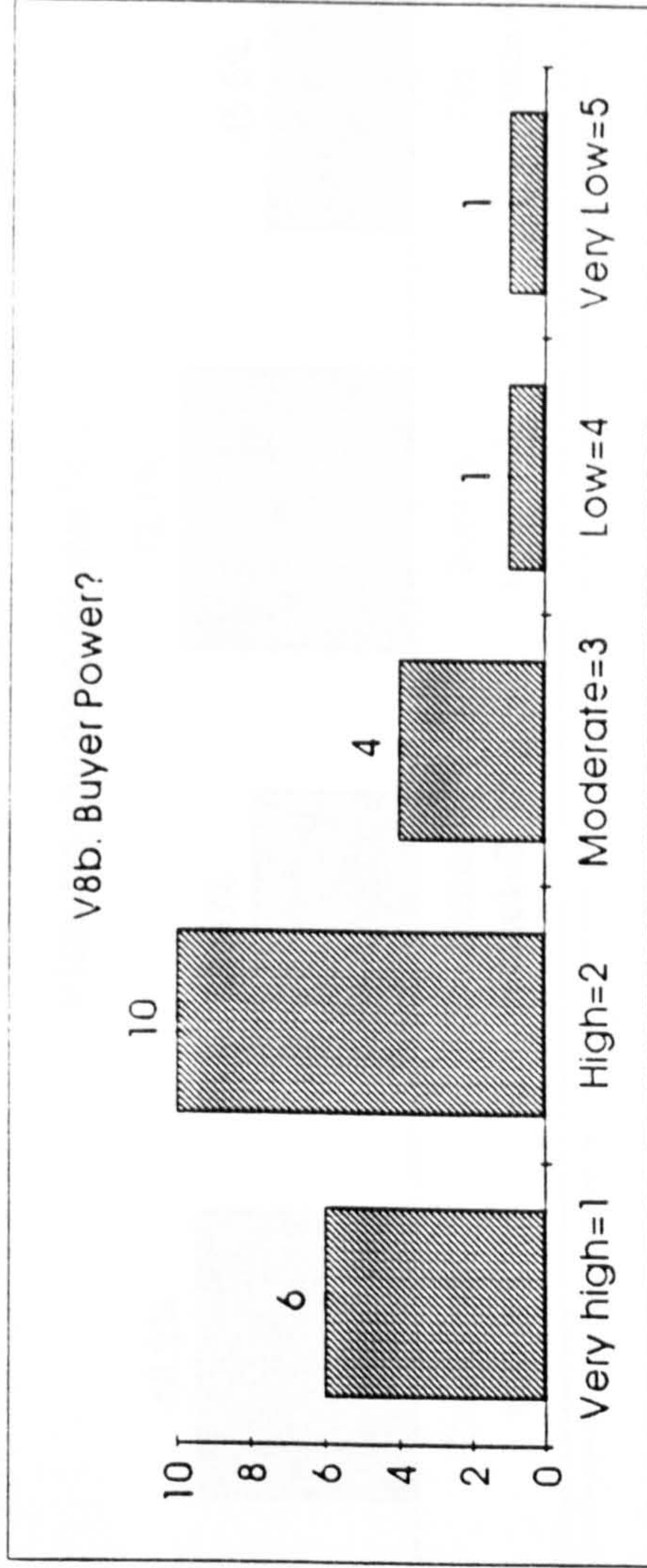
Question 10d "Do the analyses of customer information influence any of the following?"

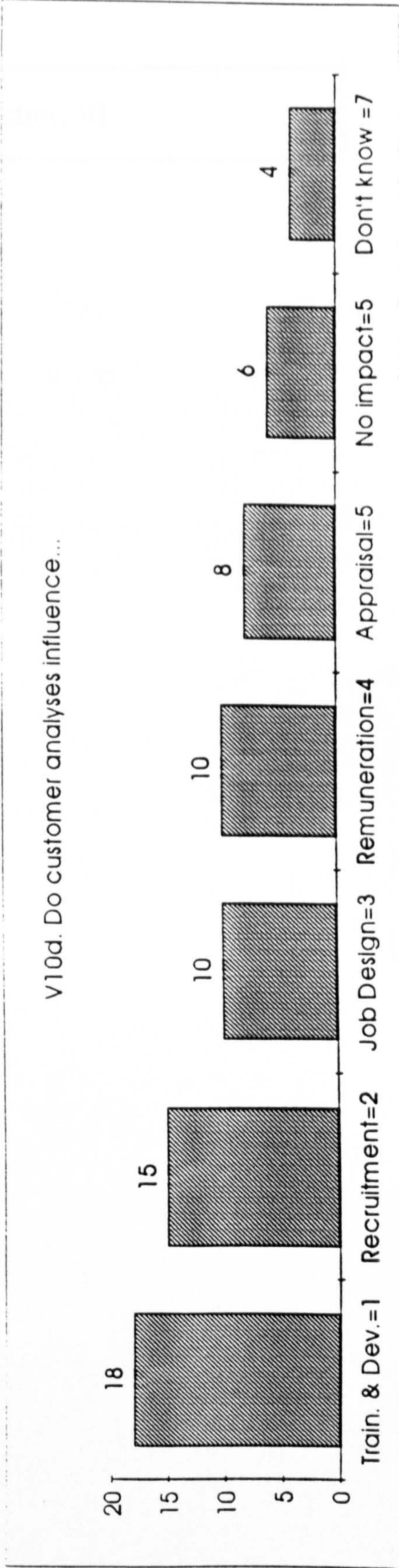
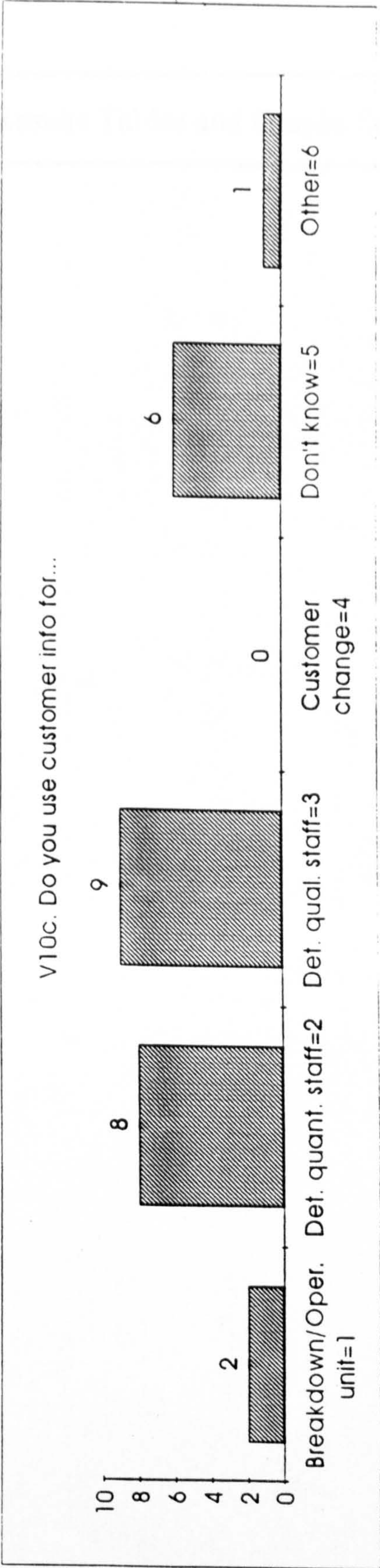
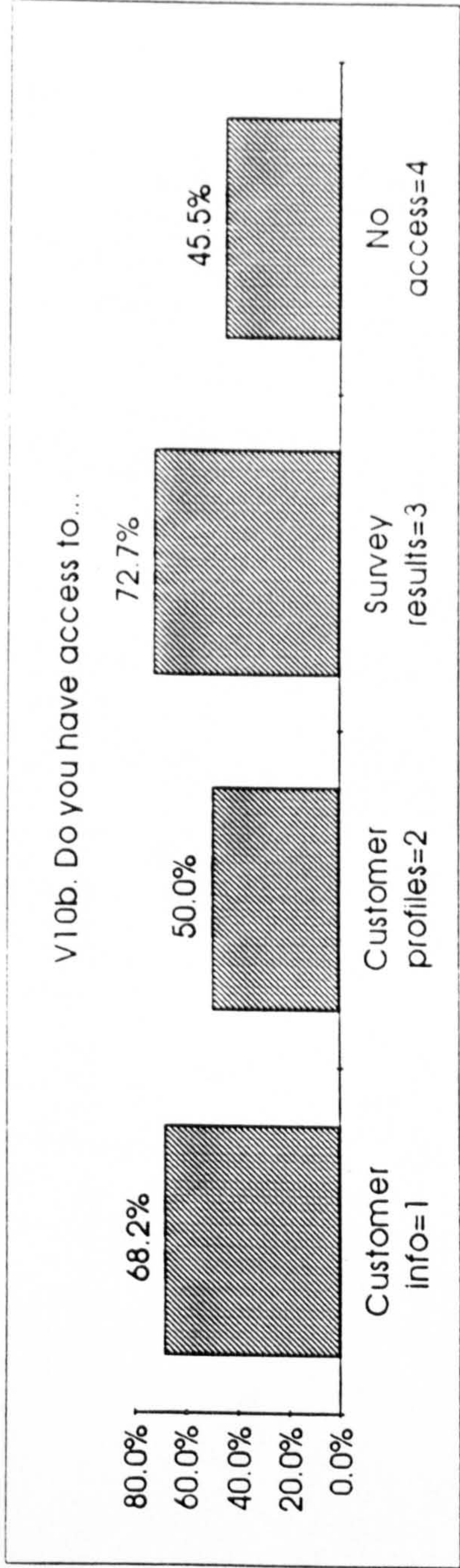
Count	Percent	% of all	Answer	Codes/Criteria:			
18	81.8%	56.3%	Train. & Dev.=1	V10da	V10db	V10dd	V10de
15	68.2%	46.9%	Recruitment=2	TRUE	TRUE	TRUE	TRUE
10	45.5%	31.3%	Job Design=3				
10	45.5%	31.3%	Remuneration=4				
8	36.4%	25.0%	Appraisal=5				
6	27.3%	18.8%	No Impact=5				
4	18.2%	12.5%	Don't know =7				
71			Total				

(N.B.: Multiple answers from 22 HR functions that have access to any customer information)









APPENDIX 16

Survey Results Tables and Graphs Section VI

Question 2b "At which level are the relevant labour markets identified?"

	Corporate Level		Business Level		Operational Level		Don't know		Total	
	Count	%	Count	%	Count	%	Count	%	Count	%
A. Senior Managem.	9	64.3%	3	21.4%	2	14.3%	0	0.0%	14	100.0%
B. Middel Managem	4	28.6%	6	42.9%	4	28.6%	0	0.0%	14	100.0%
C. Junlor Managem	4	28.6%	4	28.6%	6	42.9%	0	0.0%	14	100.0%
D. Clerical Staff	4	28.6%	0	0.0%	9	64.3%	1	7.1%	14	100.0%
E. Technical Staff	4	28.6%	1	7.1%	8	57.1%	1	7.1%	14	100.0%

Codes/Criteria:			
VI2ba	VI2ba	VI2ba	VI2ba
1	2	3	4
VI2bb	VI2bb	VI2bb	VI2bb
1	2	3	4
VI2bc	VI2bc	VI2bc	VI2bc
1	2	3	4
VI2bd	VI2bd	VI2bd	VI2bd
1	2	3	4
VI2be	VI2be	VI2be	VI2be
1	2	3	4

Question 2c "Briefly describe how you determine the relevant labour markets?"

Count		Percent	% of all	Answer	Codes/Criteria:			
5	29.4%	15.6%	Comparisons=1	VI2ca	VI2cb	VI2cc	VI2cd	
1	5.9%	3.1%	Salary Surveys=2	TRUE	TRUE	TRUE	TRUE	
6	35.3%	18.8%	Experience=3					
0	0.0%	0.0%	Consultants/Agencies=4					
12			Total					

(N.B.: Multiple answers from 17 Companies that monitor the supply of HR)

Question 3a "Do you determine catchment areas?"

Count	Percent	Answer	Codes/Criteria:			
4	12.5%	Yes=1	VI3a	VI3a	VI3a	VI3a
12	37.5%	No=2	1	2	3	0
1	3.1%	Don't know=3				
15	46.9%	No answer=0				
32	100.0%	Total				

Question 3b "If YES, which analyses do carry out?"

Count	Percent	% of all	Answer	Codes/Criteria:		
3	75.0%	9.4%	Mobility=1	VI3ba	VI3bb	VI3bc
0	0.0%	0.0%	Underrep.=2	TRUE	TRUE	TRUE
1	25.0%	3.1%	Other=3			
4			Total			

(N.B.: Multiple answers from 4 Companies that determine catchment areas)

Question 4 "Which demographic supply side trends do you analyse?"

Count	Percent	% of all	Answer	Codes/Criteria:					
3	17.6%	9.4%	Pop. Siz & Growth=1	VI4a	VI4b	VI4c	VI4d	VI4e	VI4f
4	23.5%	12.5%	Age group unempl.=3	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
2	11.8%	6.3%	Commuting Impact=3						
3	17.6%	9.4%	Unemployment=4						
10	58.8%	31.3%	None/Don't know=5						
0	0.0%	0.0%	Other=6						
22			Total						

(N.B.: Multiple answers from 17 Companies that monitor the supply of HR)

Question 5 "Which education supply side trends do you analyse?"

Count	Percent	% of all	Answer	Codes/Criteria:					
3	17.6%	9.4%	5th/6th form students=1	V15a	V15b	V15c	V15d	V15e	V15f
2	11.8%	6.3%	Exam results=2	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
1	5.9%	3.1%	Leaver dest.=3						
7	41.2%	21.9%	Grad. figures=4						
8	47.1%	25.0%	None/Don't know=5						
1	5.9%	3.1%	Other=6						
22			Total						
(N.B.: Multiple answers from				17	Companies that monitor the supply of HR)				

Question 6 "Which of the following factors of future labour demand are monitored?"

Count	Percent	Answer	Answer	Codes/Criteria:					
4	23.5%	12.5%	Company reloc.=1	V16a	V16b	V16c	V16d	V16e	V16f
0	0.0%	0.0%	Empty offices=2	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
1	5.9%	3.1%	Planned offices=3						
6	35.3%	18.8%	Demand by other comp.=4						
9	52.9%	28.1%	None/Don't know=5						
0	0.0%	0.0%	Other=6						
20			Total						
(N.B.: Multiple answers from				17	Companies that monitor the supply of HR)				

Question 7a1 "How often are demographic supply-side trends analysed?"

Count	Percent	Answer	Codes/Criteria:					
0	0.0%	Monthly=1	V17a1	V17a1	V17a1	V17a1	V17a1	V17a1
0	0.0%	2-monthly=2	1	2	3	4	5	6
0	0.0%	Quarterly=3						
1	3.1%	Semi-ann.=4						
9	28.1%	Annually=5						
1	3.1%	Never/Not anal.=6						
21	65.6%	No answer =0						
32	100.0%	Total						

Question 7b1 "How long is the planning/forecast horizon (demographic trends)?"

Count Percent Answer		Codes/Criteria:					
		VI7b1	VI7b1	VI7b1	VI7b1	VI7b1	VI7b1
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
4	12.9%	4	12.9%	One year=4			
4	12.9%	4	12.9%	Three years=5			
1	3.2%	1	3.2%	Never/Not anal.=6			
22	71.0%	22	71.0%	No answer =0			
31	100.0%	31	100.0%	Total			

Question 7a2 "How often are educational supply-side trends analysed?"

Count Percent Answer		Codes/Criteria:					
		VI7a2	VI7a2	VI7a2	VI7a2	VI7a2	VI7a2
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
9	28.1%	9	28.1%	Annually=5			
1	3.1%	1	3.1%	Never/Not anal.=6			
22	68.8%	22	68.8%	No answer =0			
32	100.0%	32	100.0%	Total			

Question 7b2 "How long is the planning/forecast horizon (educational trends)?"

Count Percent Answer		Codes/Criteria:					
		VI7b2	VI7b2	VI7b2	VI7b2	VI7b2	VI7b2
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
0	0.0%	0	1	2	3	4	6
6	19.4%	6	19.4%	One year=4			
3	9.7%	3	9.7%	Three years=5			
1	3.2%	1	3.2%	Never/Not anal.=6			
21	67.7%	21	67.7%	No answer =0			
31	100.0%	31	100.0%	Total			

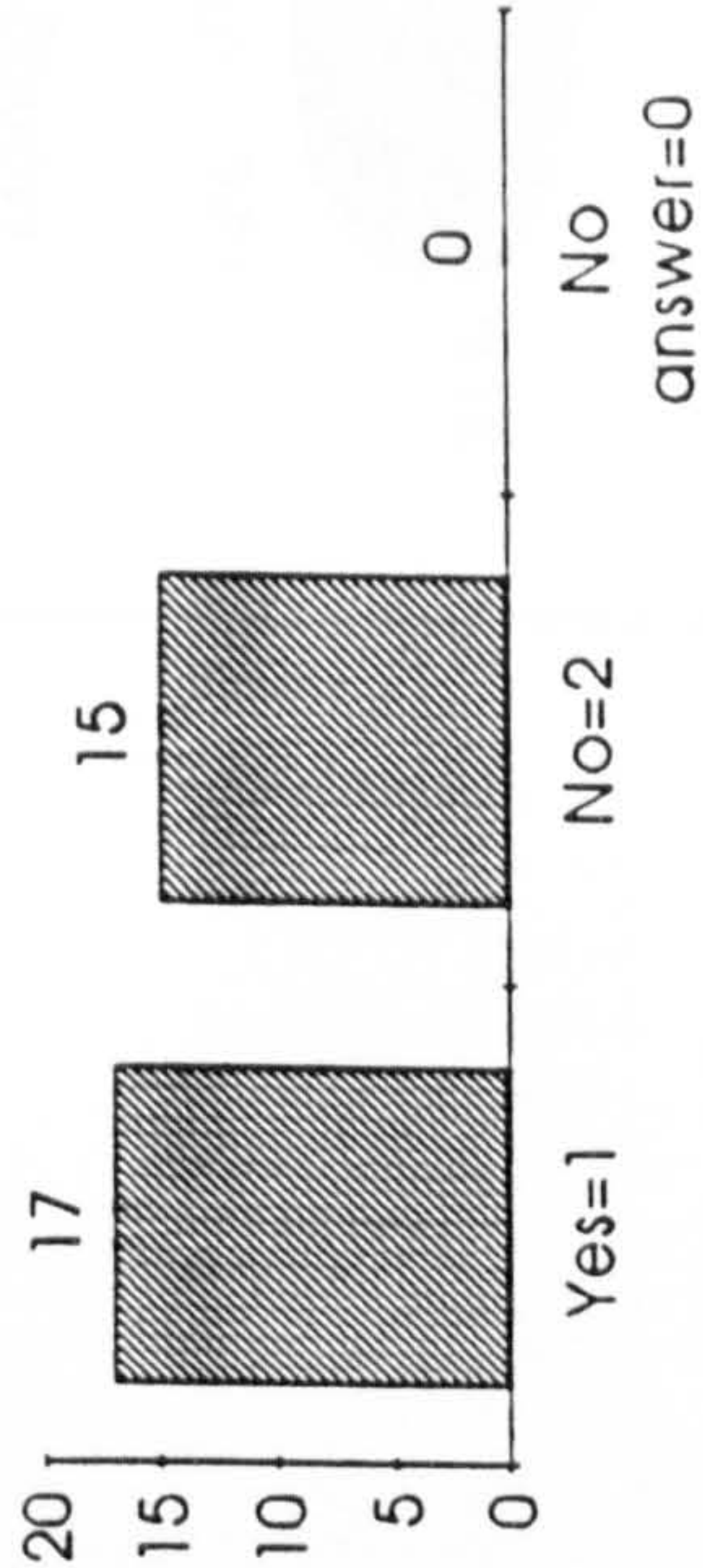
Question 8 "Do you use computers for these analyses?"

Count	Percent	Answer	Codes/Criteria:				
0	0.0%	Fully computerised=1	V18	V18	V18	V18	V18
4	12.5%	Computer-supp.=2	1	2	3	4	0
5	15.6%	No=3					
3	9.4%	Don't know=4					
20	62.5%	No answer=0					
32	100.0%	Total					

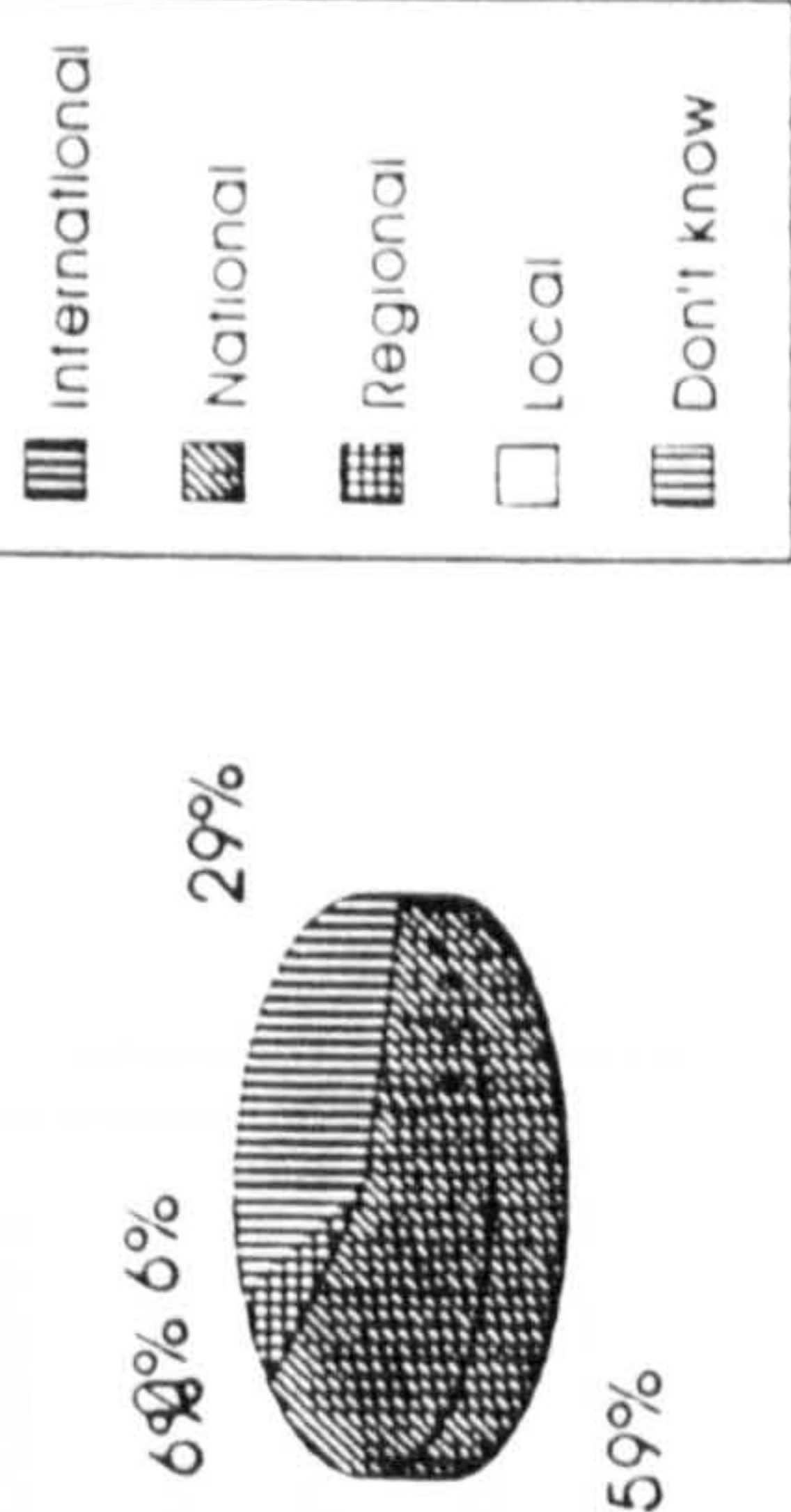
Question 9 "Which forecasting techniques do you use?"

Count	% of all	Answer	Codes/Criteria:					
1	3.1%	Econo-metrics	V19a	V19b	V19c	V19d	V19e	V19f
1	3.1%	Regres-sions	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
0	0.0%	Time series						
4	12.5%	Trend extrapol.	V19g	V19h	V19i	V19j		
2	6.3%	Estimates	TRUE	TRUE	TRUE	TRUE		
3	9.4%	Exec. Opinion						
2	6.3%	Surveys& Mkt Res						
2	6.3%	Scenarios						
0	0.0%	Delphi method						
5	15.6%	Brain-storming						
20		Total						

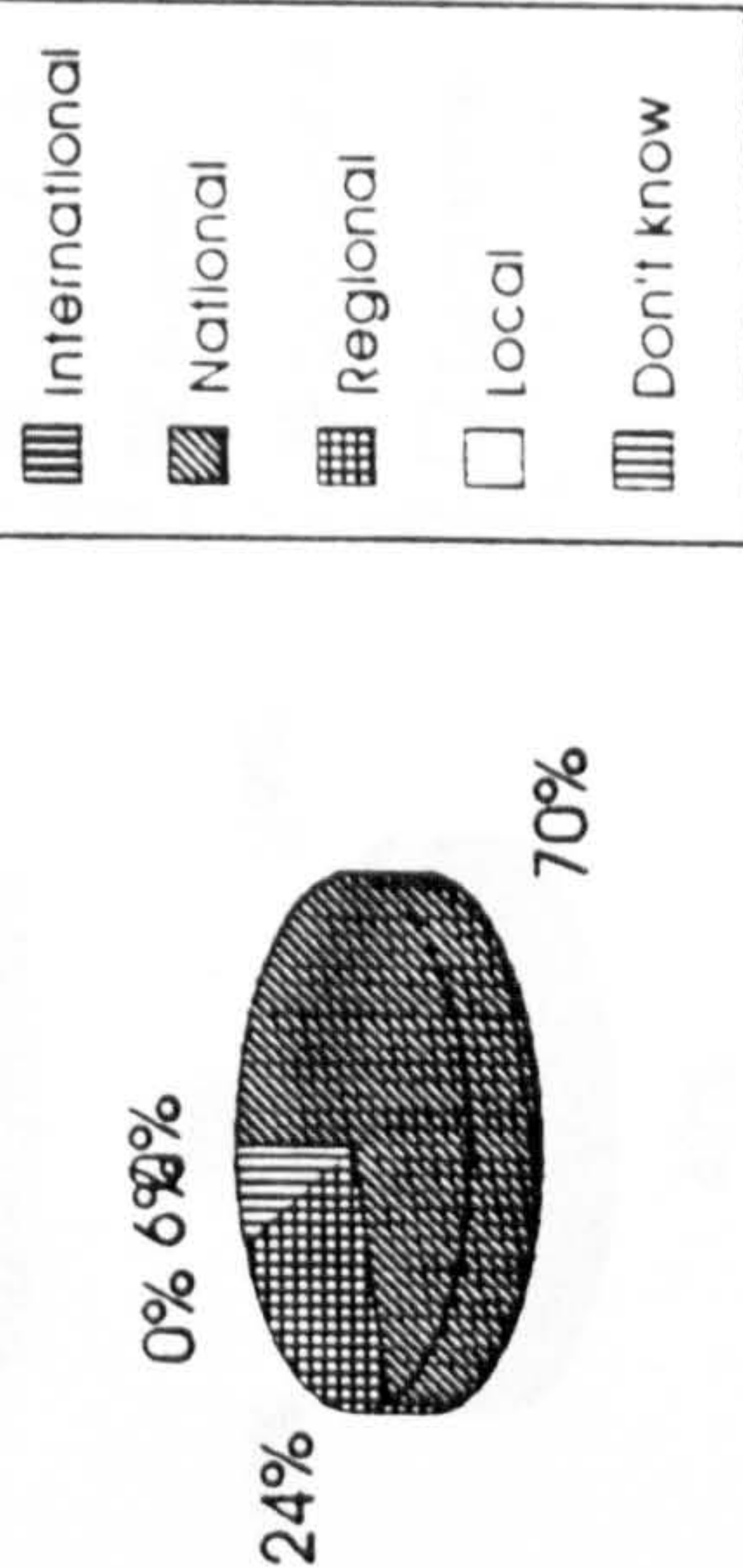
VII. Monitor HR Supply?



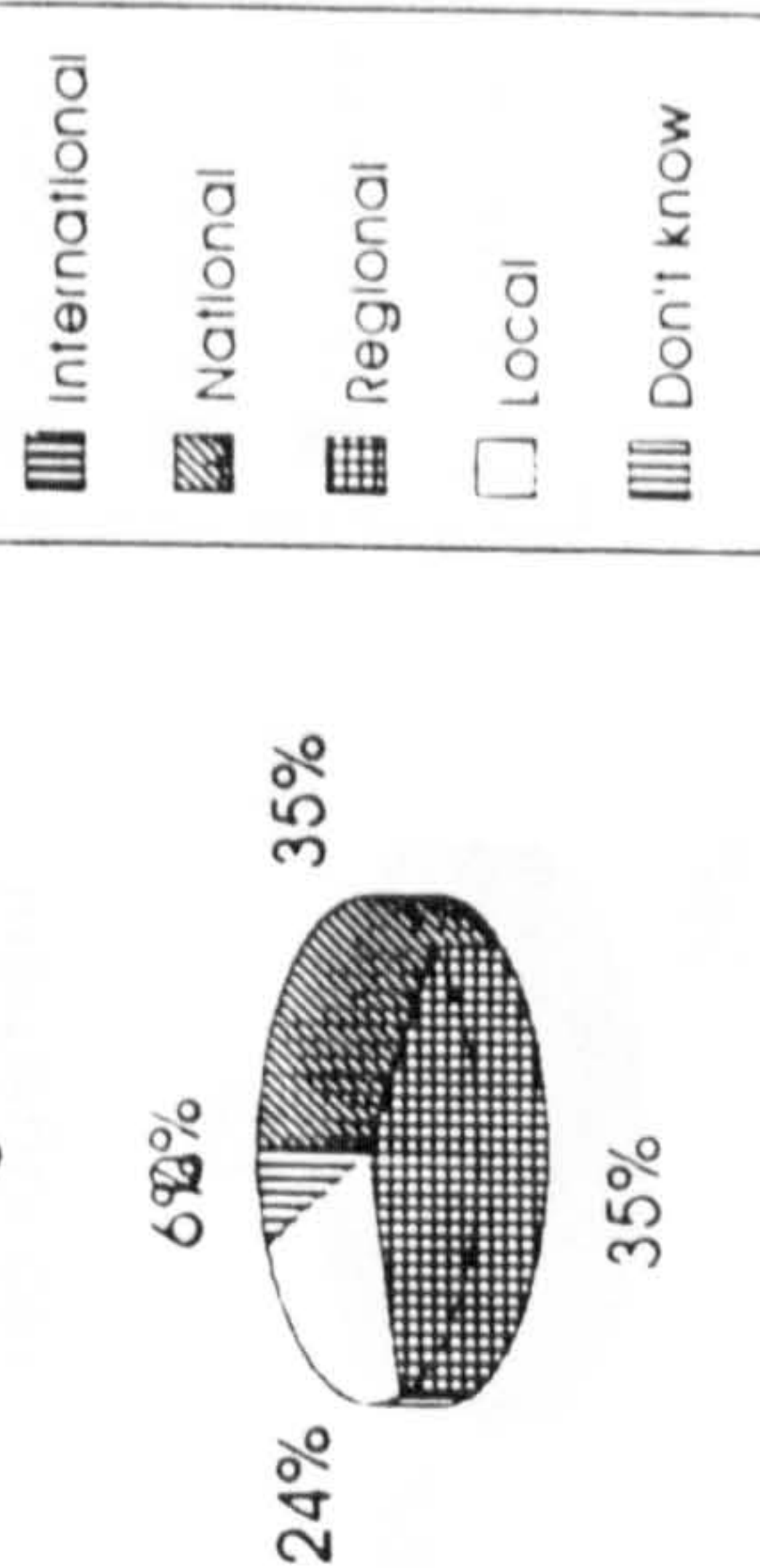
Labour markets for Senior Management



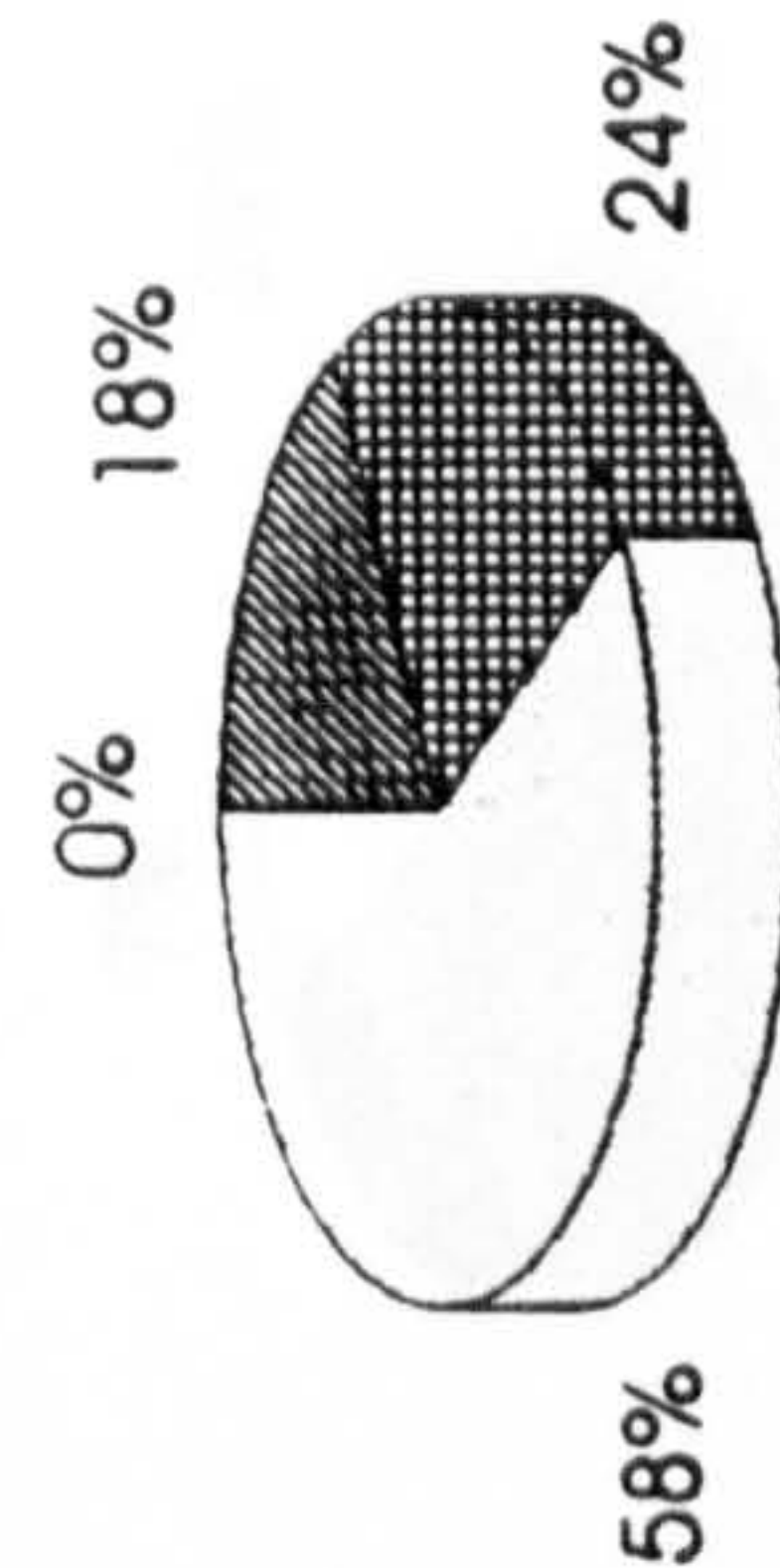
Labour markets for Middle Management



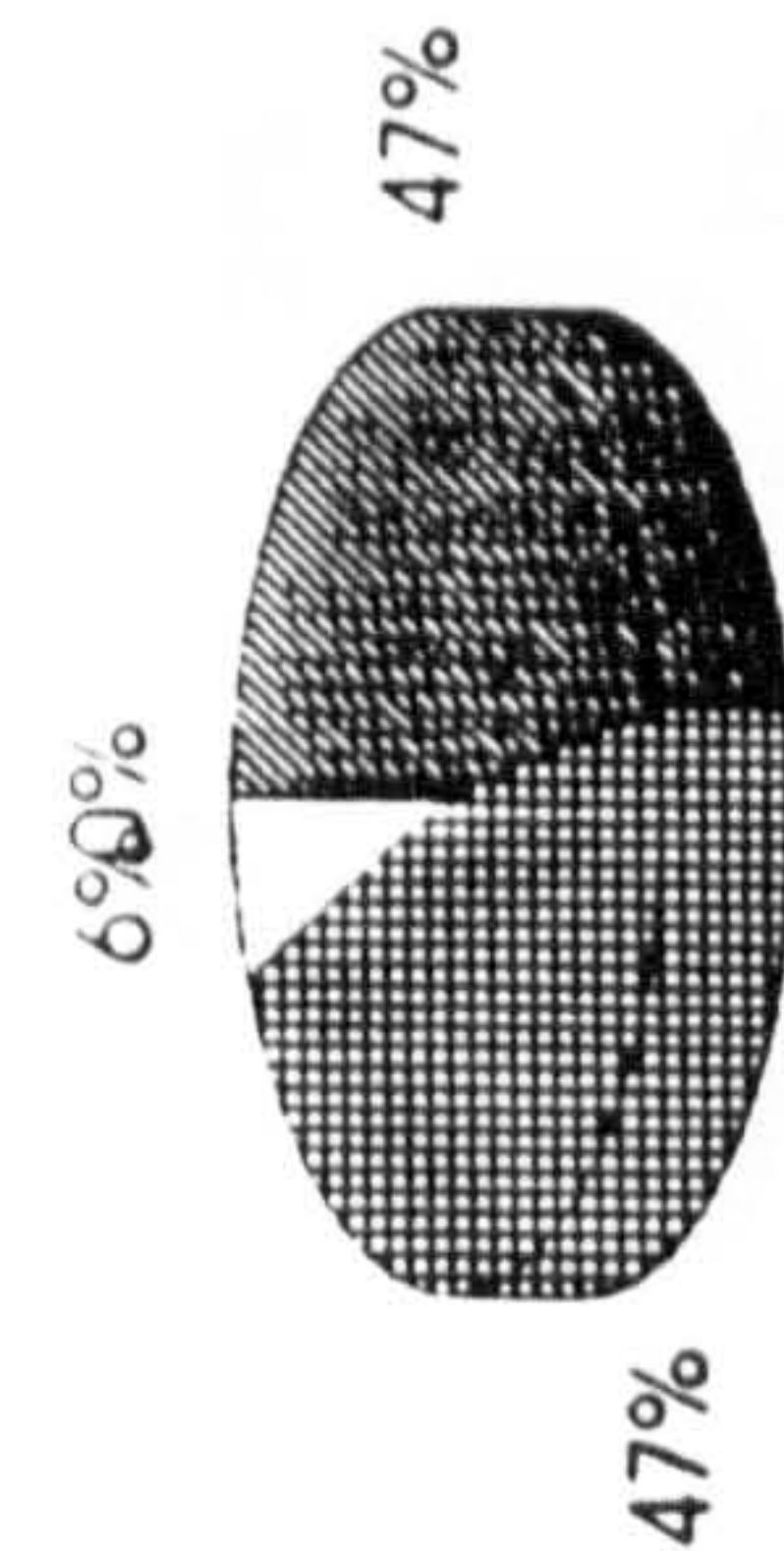
Labour markets for Junior Management



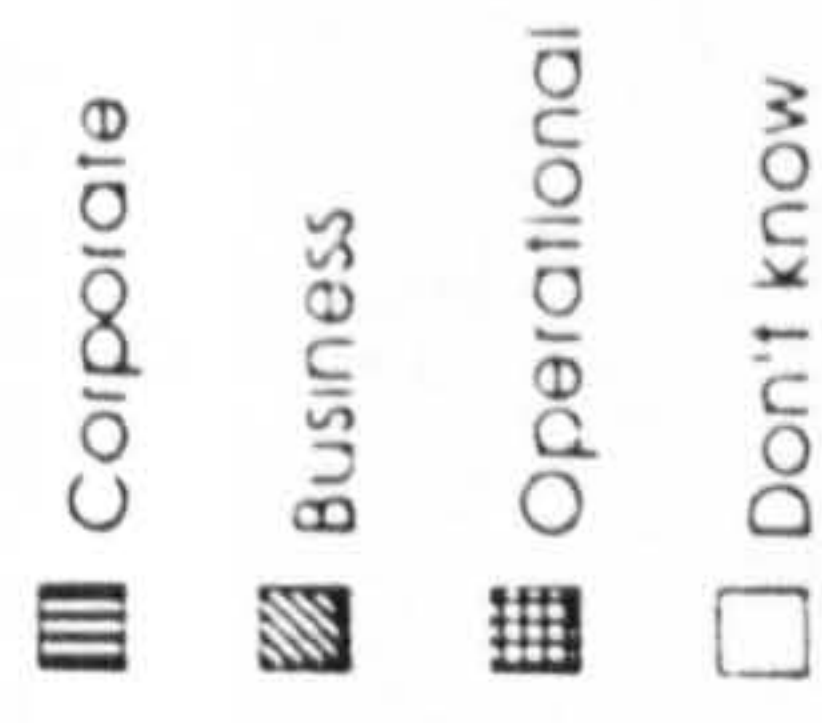
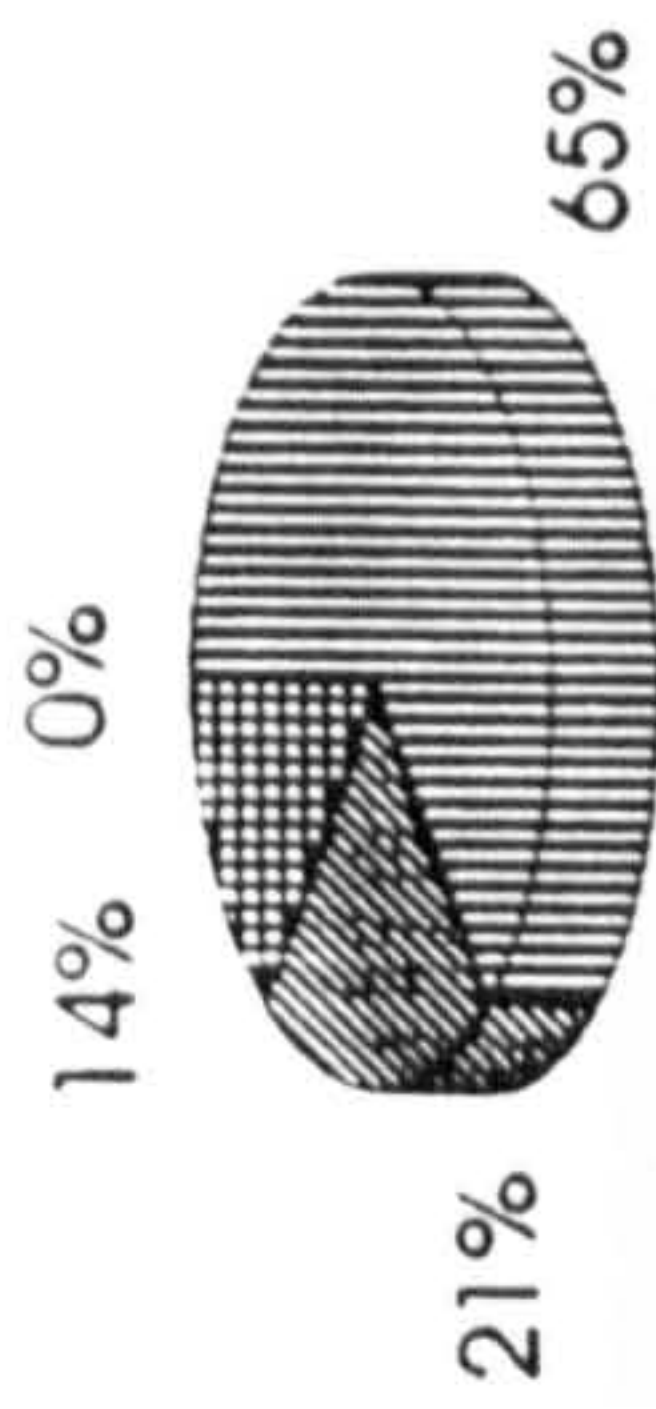
Labour markets for Clerical Staff



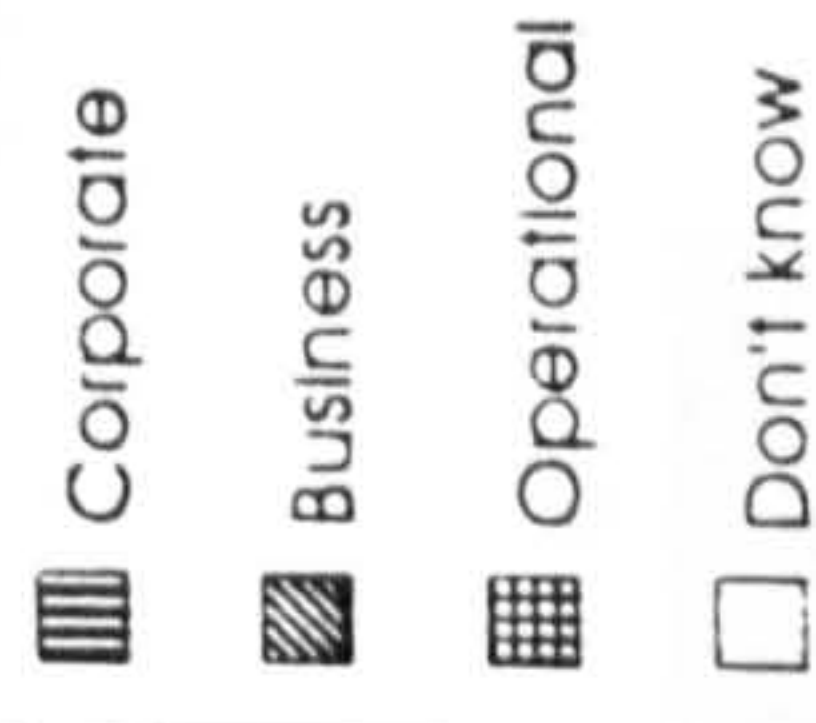
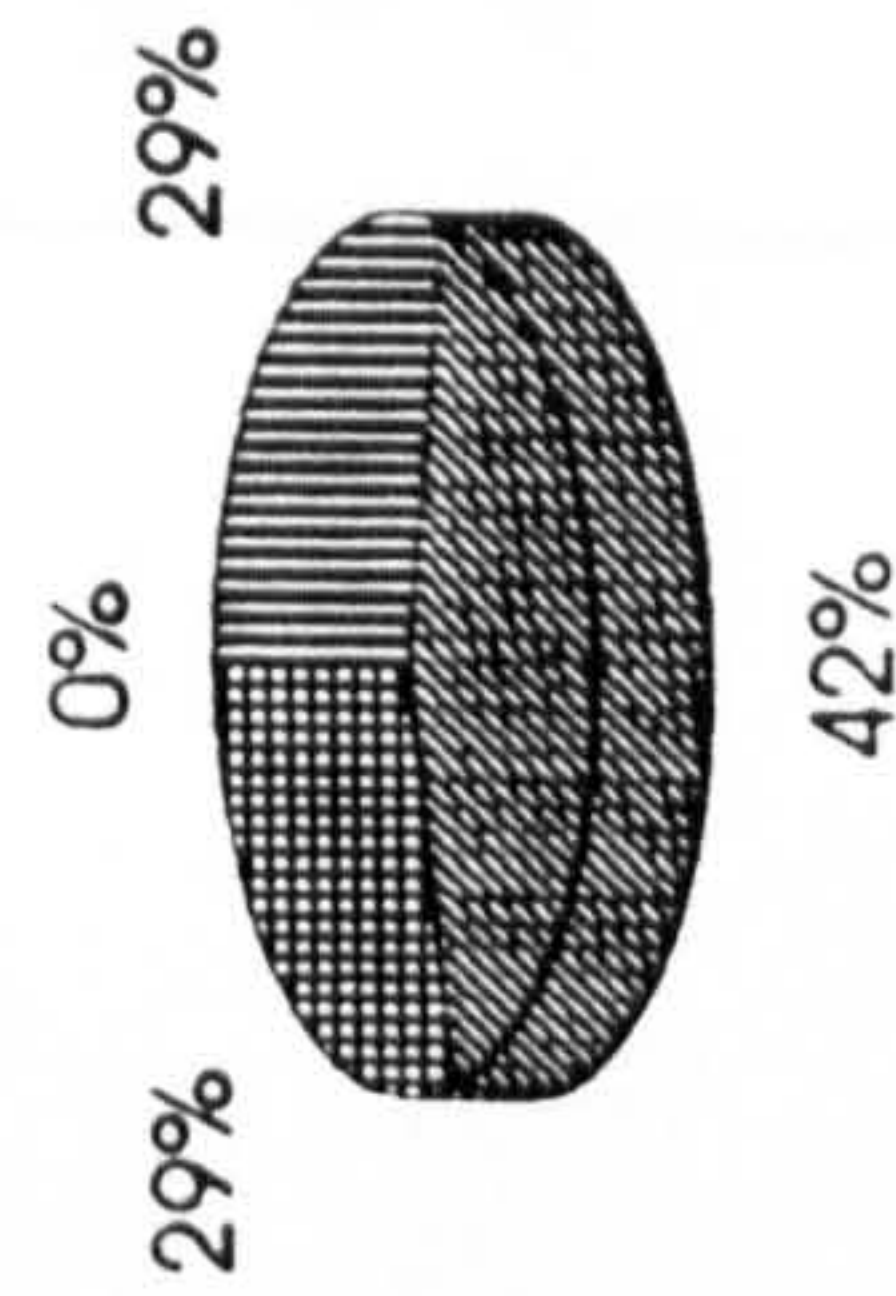
Labour markets for Technical Staff



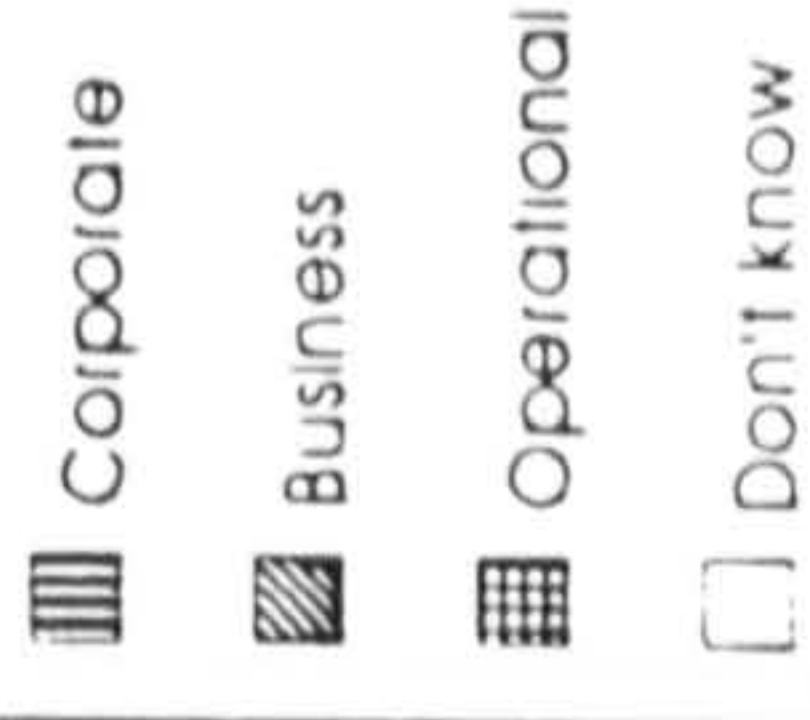
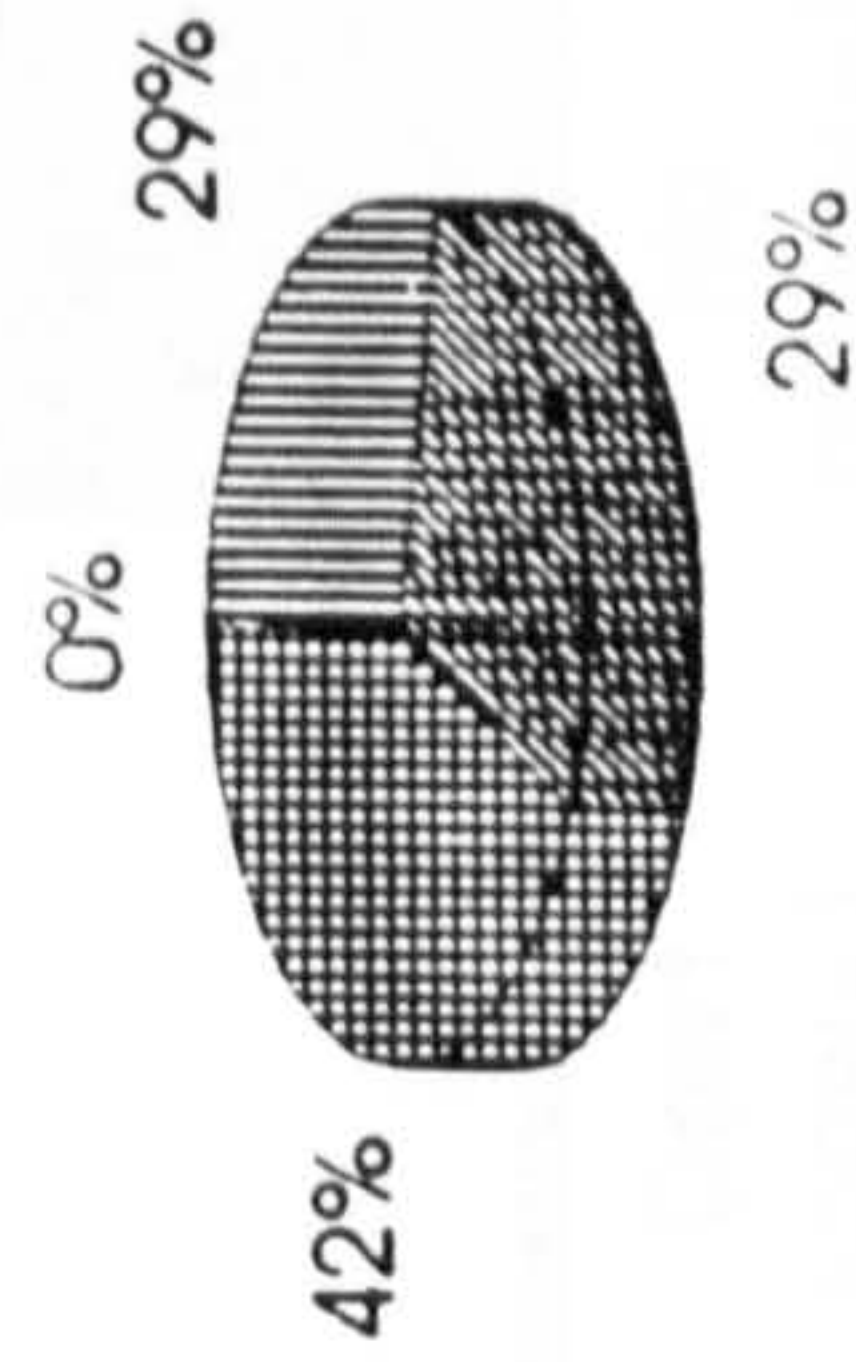
Level of Identification Senior Management



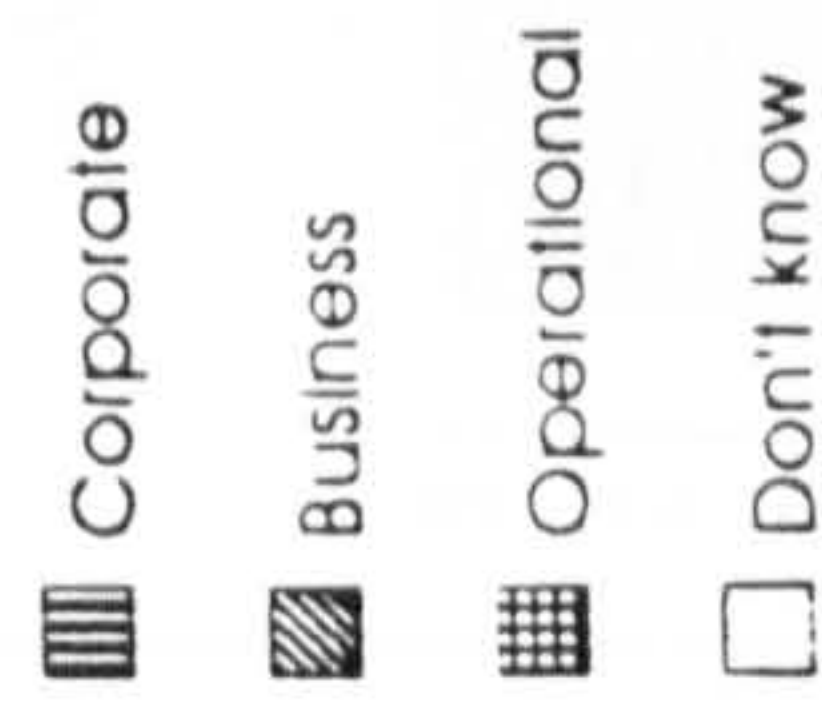
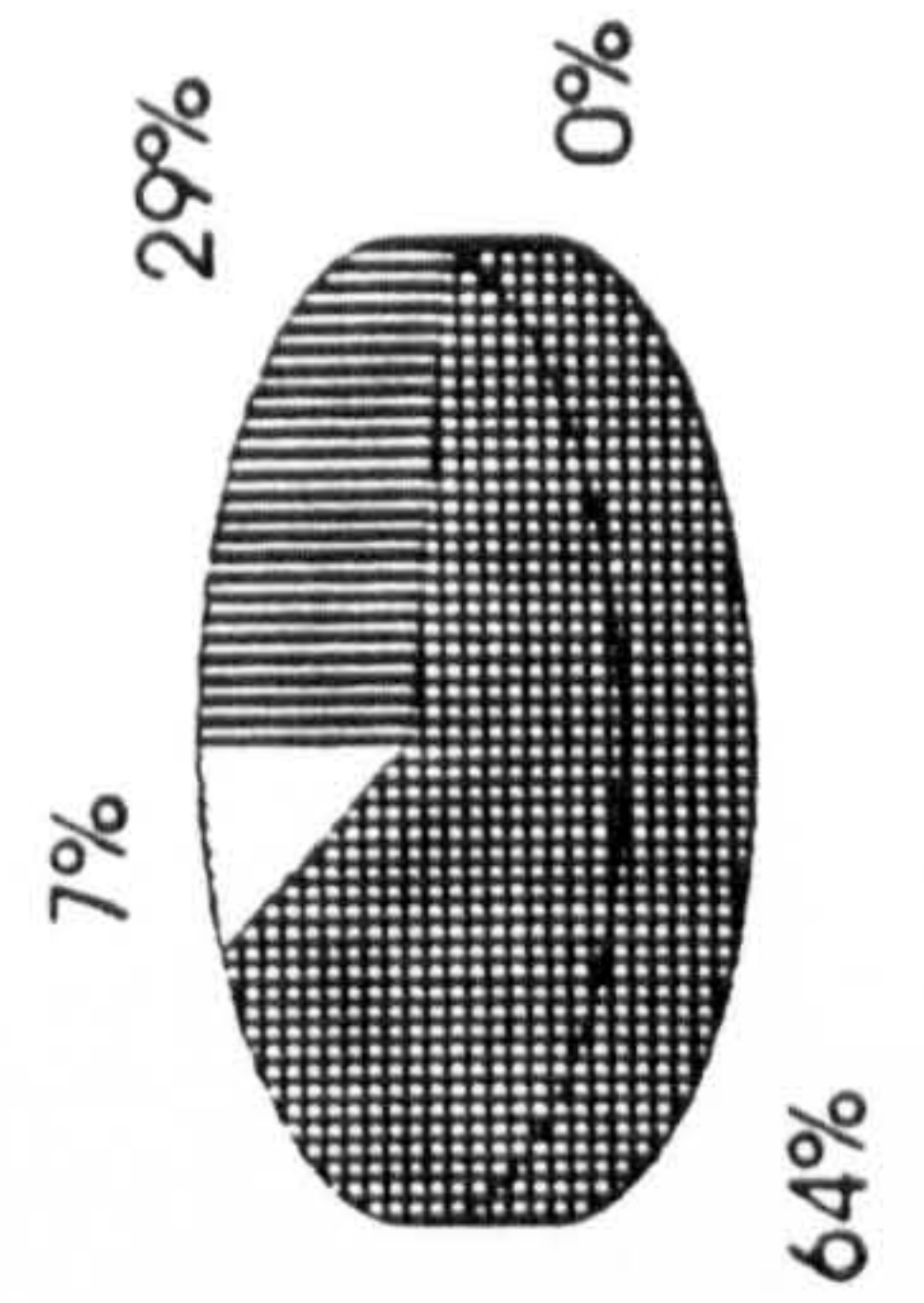
Level of Identification Middle Management



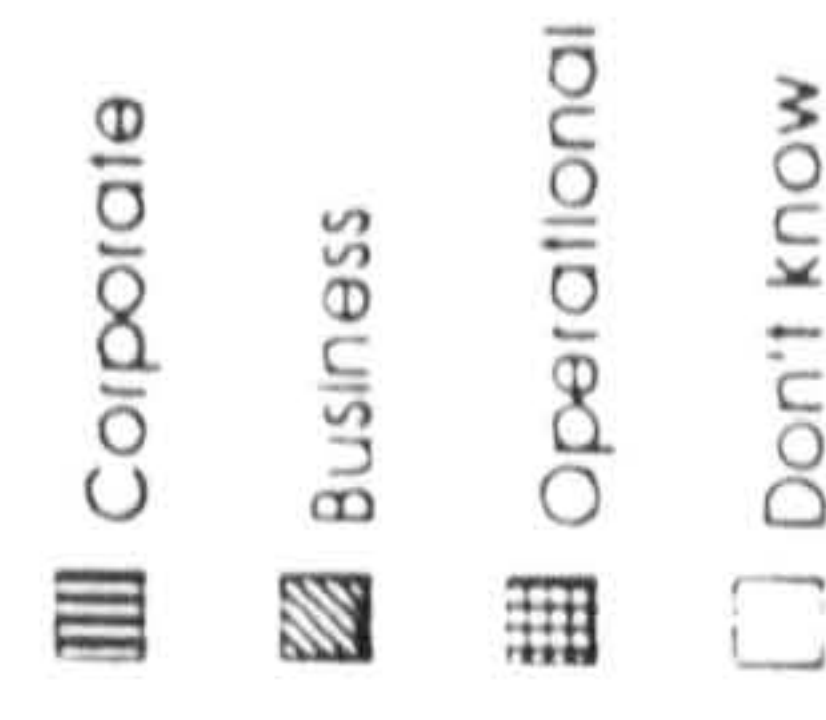
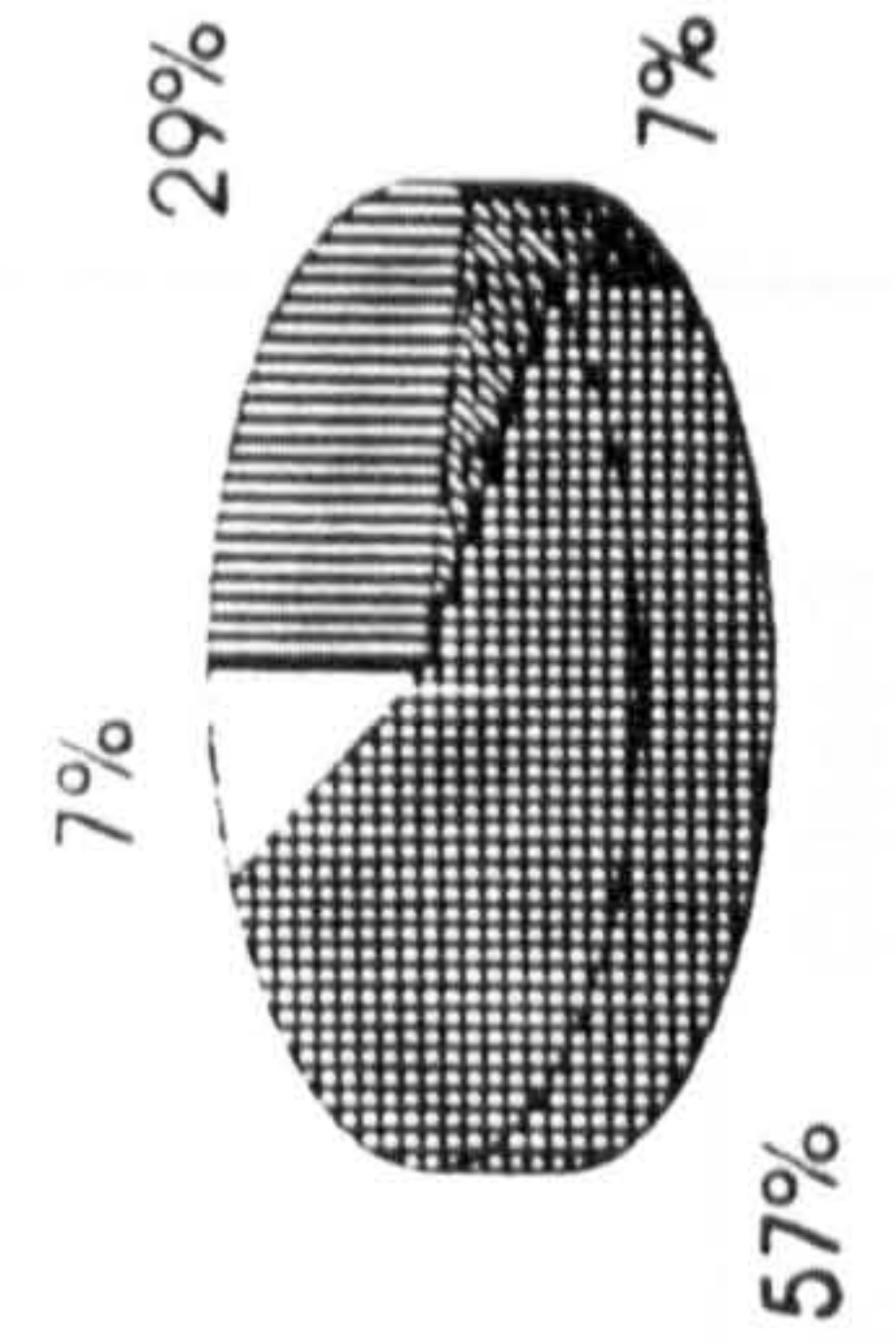
Level of Identification Junior Management



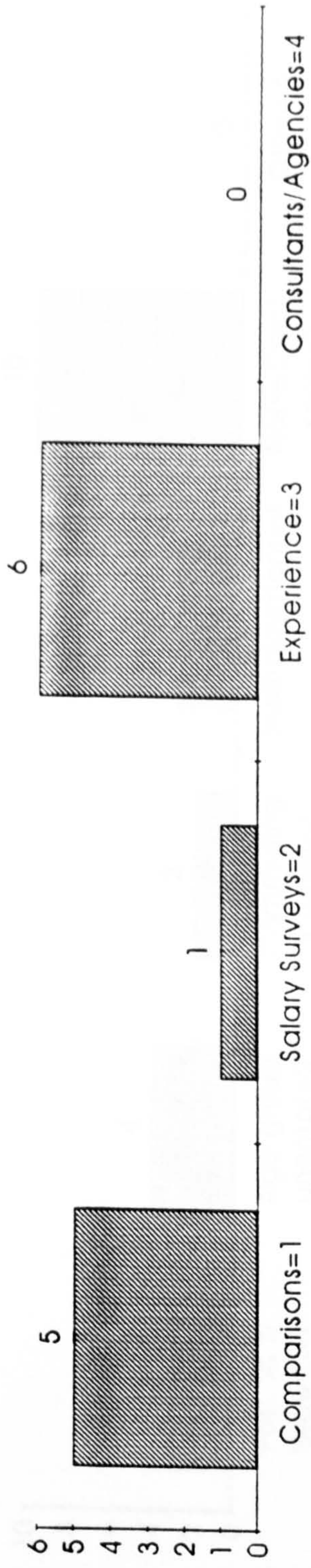
Level of Identification Clerical Staff



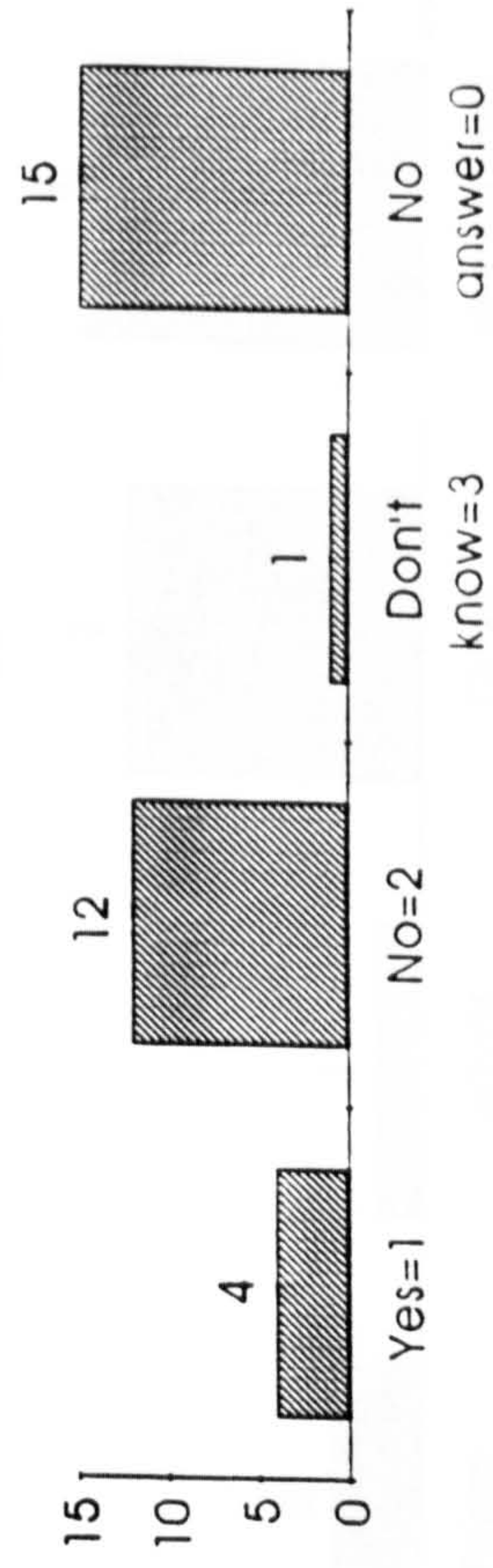
Level of Identification Technical Staff



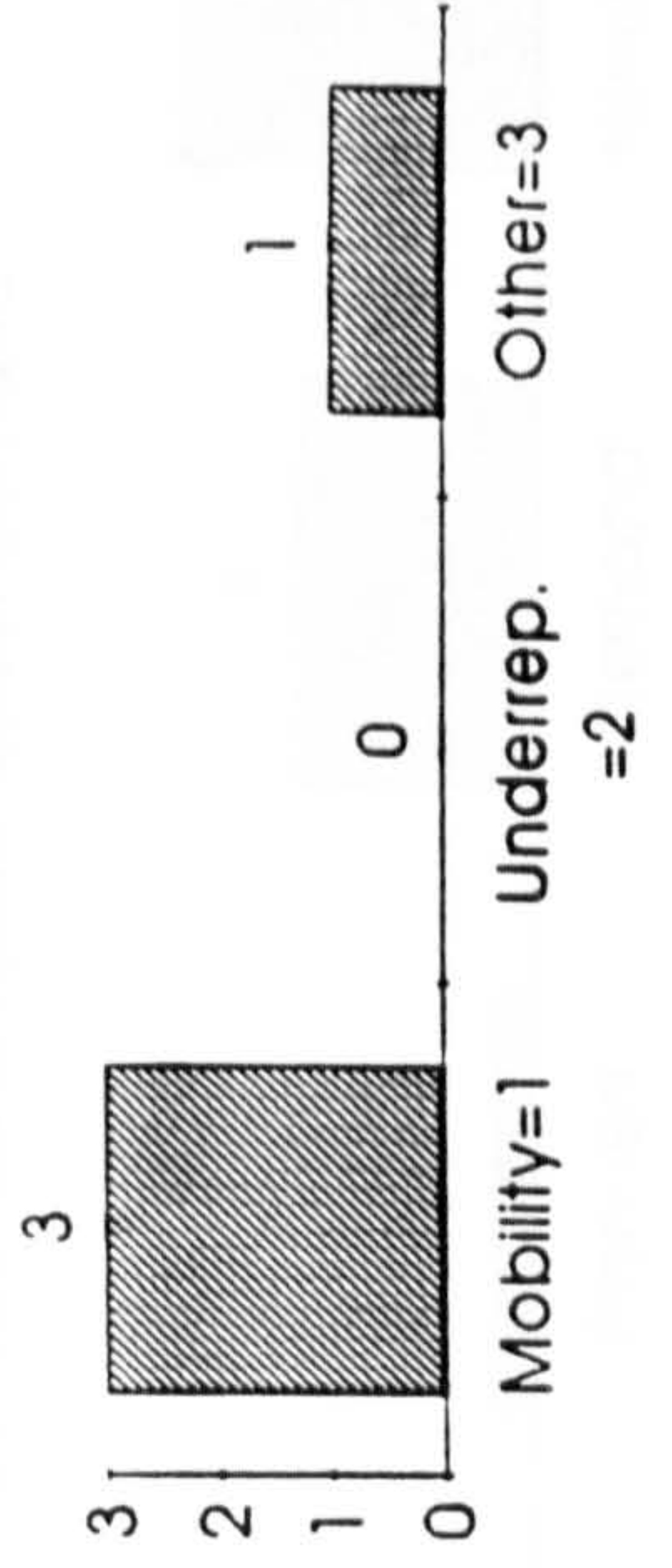
VI2c. Determination of Labour markets by ...



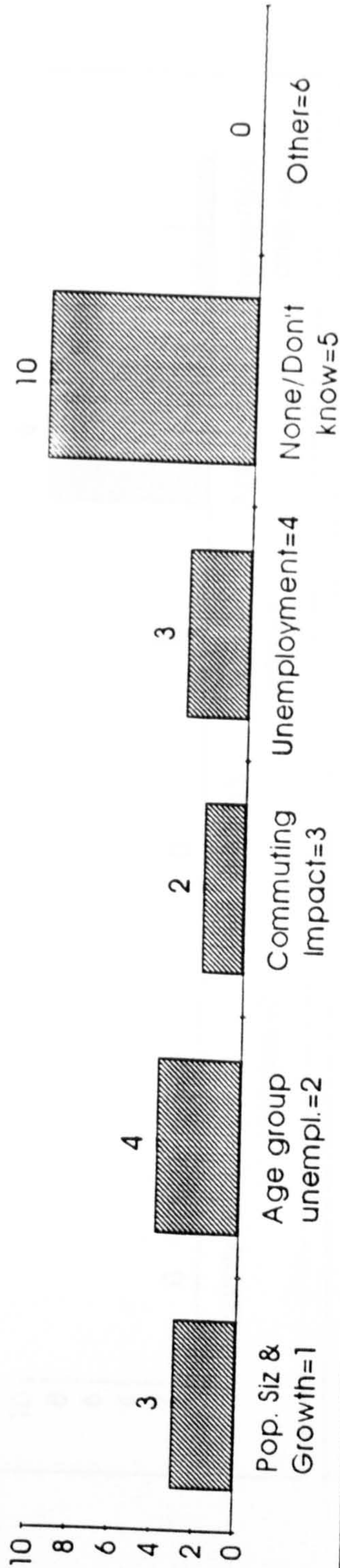
VI3a. Determine catchment areas?



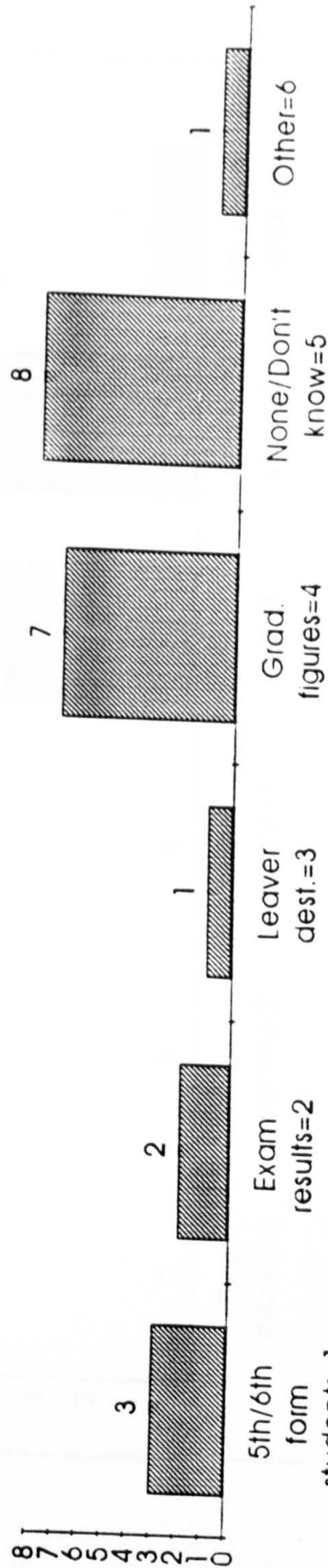
VI3b. Analysis of catchment areas by ...



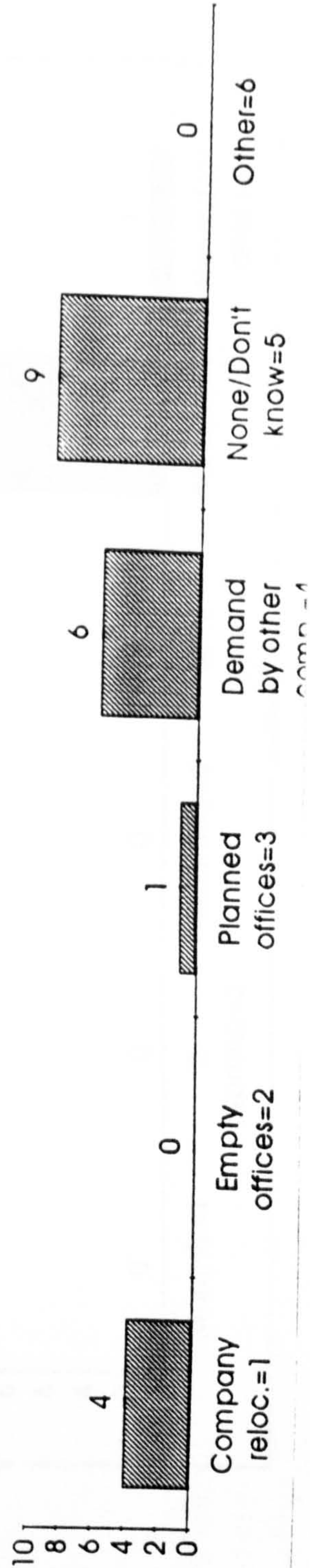
VI4. Analysis of demographic supply-side trends



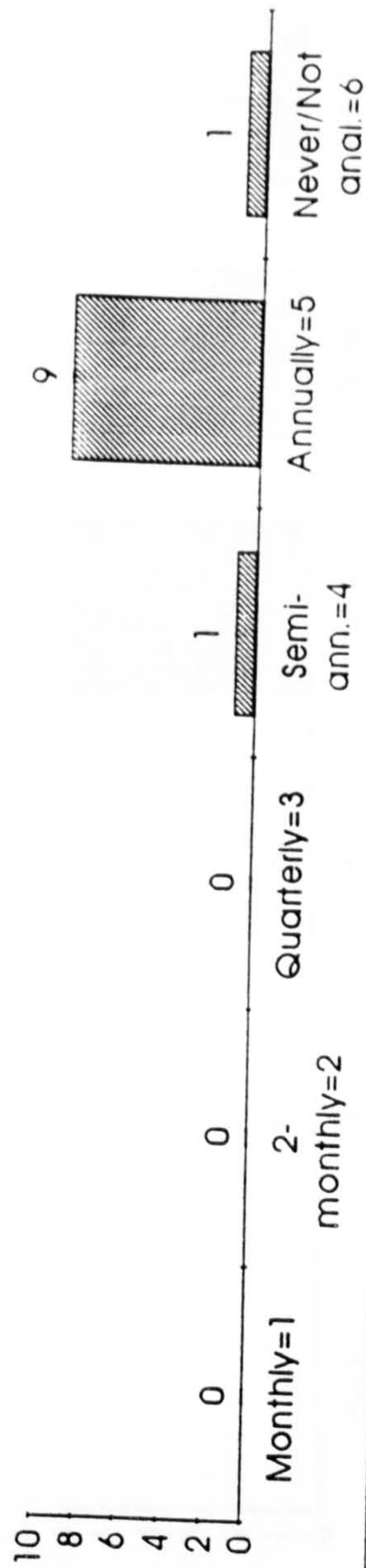
VI5. Analysis of educational supply-side trends



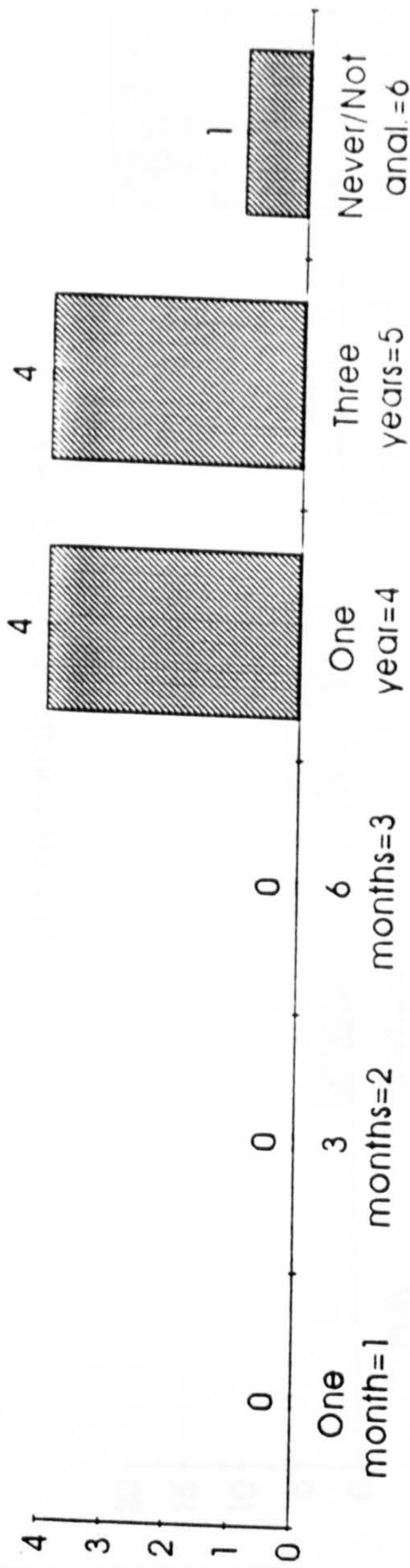
VI6. Factors of future labour demand



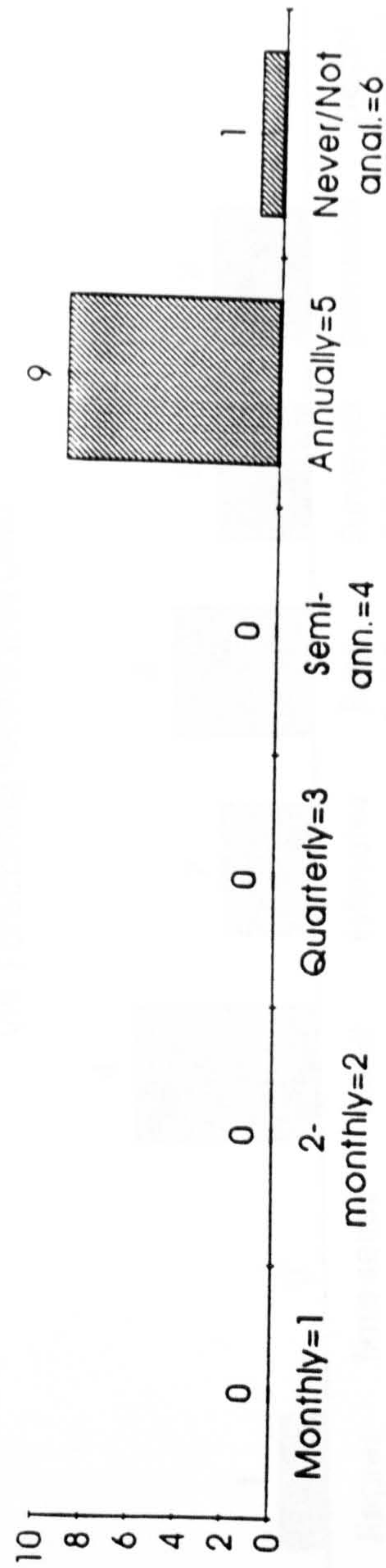
VI7a1. Frequency of demographic analysis



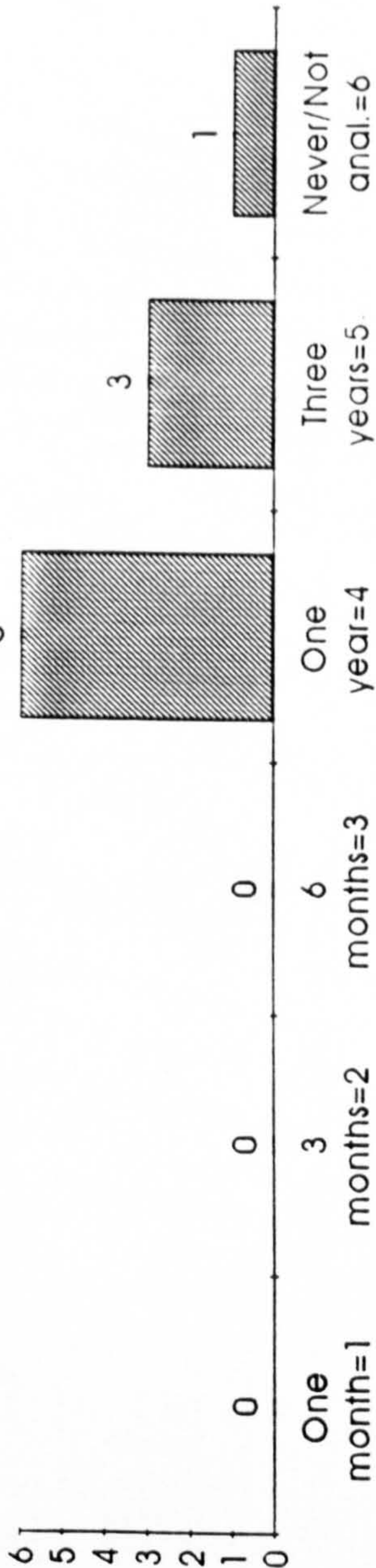
VI7a2. Planning horizon of demographic analysis



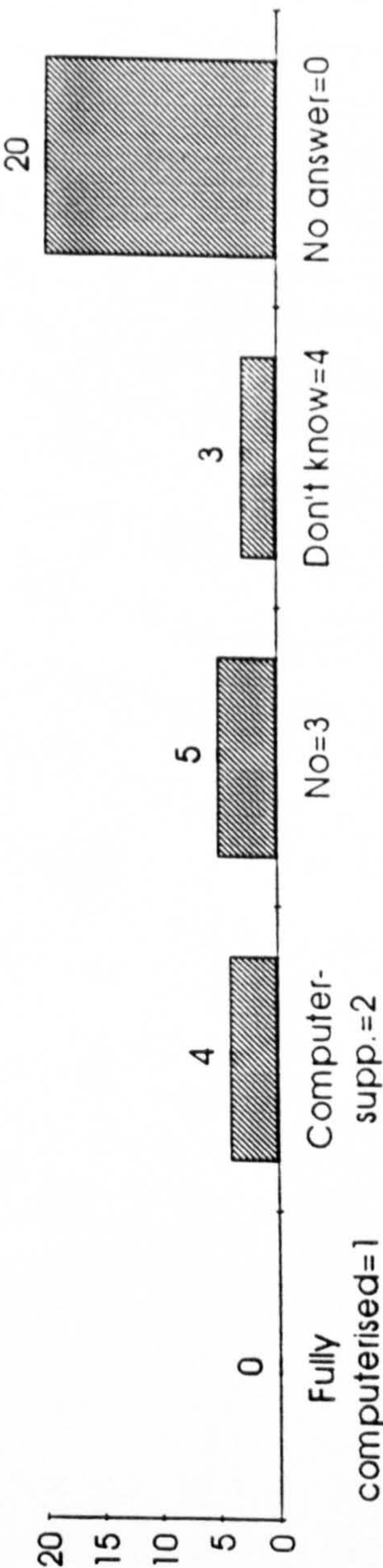
VI7b1. Frequency of educational analysis



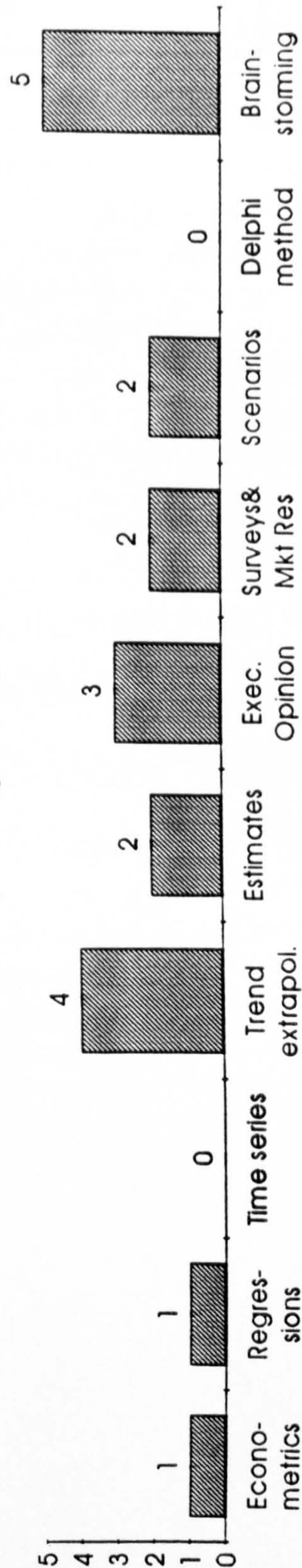
VI7b2. Planning horizon of educational analysis



VI8. Computerisation of analyses



VI9. Forecasting techniques used



APPENDIX 17

Survey Results Tables and Graphs Section VII

ANALYSIS OF SECTION 7 HUMAN RESOURCE INVENTORY

Question 1 "Do you break down your organisation's Human Resource inventory?"

Count	Percent	Answer
26	81.3%	Yes=1
6	18.8%	No=2
0	0.0%	No answer=0
32	100.0%	Total

Codes/Criteria.			
VII	VII	VII	VII
	1	2	0

Question 2 "If YES, which of the following criteria do you use for a break down?"

Count	Percent	% of all	Answer
22	84.6%	68.8%	By grade
25	96.2%	78.1%	By oper. unit
20	76.9%	62.5%	By location
16	61.5%	50.0%	By gender
17	65.4%	53.1%	By working hrs
13	50.0%	40.6%	By LOS
12	46.2%	37.5%	By age
11	42.3%	34.4%	By academic qual.
6	23.1%	18.8%	By experience
142			Total

Codes/Criteria:					
VII2a	VII2b	VII2c	VII2d	VII2e	VII2f
TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
VII2g	VII2h	VII2i			
TRUE	TRUE	TRUE			

(N.B.: Multiple answers from 26 companies that break down the HR inventory)

Question 3

"Do you attempt a breakdown by the following, more difficult to establish criteria?"

Count	Percent	% of all	Answer	Codes/Criteria:					
5	33.3%	15.6%	Readiness move home	VII3a	VII3b	VII3c	VII3d	VII3e	VII3f
6	40.0%	18.8%	Motivation & Morale	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
11	73.3%	34.4%	Suit. for promo						
14	93.3%	43.8%	Mgmt. potent.						
1		3.1%	Don't know						
10		31.3%	No						
47			Total						

(N.B.: Multiple answers to 1, 2, 3 and 4 from 15 companies that break down the HR inventory by more difficult to establish criteria)

Question 4

"In addition to basic personal data which info do you include in employee records?"

Count	% of all	Answer	Codes/Criteria:					
31	96.9%	Pay details	VII4a	VII4b	VII4c	VII4d	VII4e	VII4f
29	90.6%	Absence records	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
17	53.1%	Accident records						
28	87.5%	Formal educ.	VII4g	VII4h	VII4i	VII4j	VII4k	VII4l
27	84.4%	Qual. & skills	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
26	81.3%	Training rec.						
5	15.6%	Readl move home						
6	18.8%	Motiv.&Morale						
13	40.6%	Suit. for promo						
13	40.6%	Mgmt. potential						
24	75.0%	Perf. appraisal						
26	81.3%	Leave details						
245		Total						

(N.B.: Multiple answers from all 32 companies in the survey)

Question 5 "Which ratios/indices are generated from the accumulated employee data?"

Count	% of all	Answer	Codes/Criteria:					
9	28.1%	Profit/empl.	VII5a	VII5b	VII5c	VII5d	VII5e	VII5f
11	34.4%	I/O per empl.	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
1	3.1%	I/O per HR exp.						
10	31.3%	Avg. HR exp.	VII5g	VII5h	VII5i	VII5j	VII5k	VII5l
18	56.3%	Ann lab. I/O	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
5	15.6%	Stability rates						
13	40.6%	Absence Inc. Rates	VII5m	VII5n	VII5o	VII5p		
6	18.8%	Acc. rates	TRUE	TRUE	TRUE	TRUE		
13	40.6%	Absent. costs						
9	28.1%	Support costs						
13	40.6%	Overtime/basic pay						
14	43.8%	Training cost/head						
11	34.4%	Leave costs						
10	31.3%	Recr. cost/head						
4	12.5%	Don't know						
4	12.5%	None						
151		Total						

(N.B.: Multiple answers from all 32 companies in the survey)

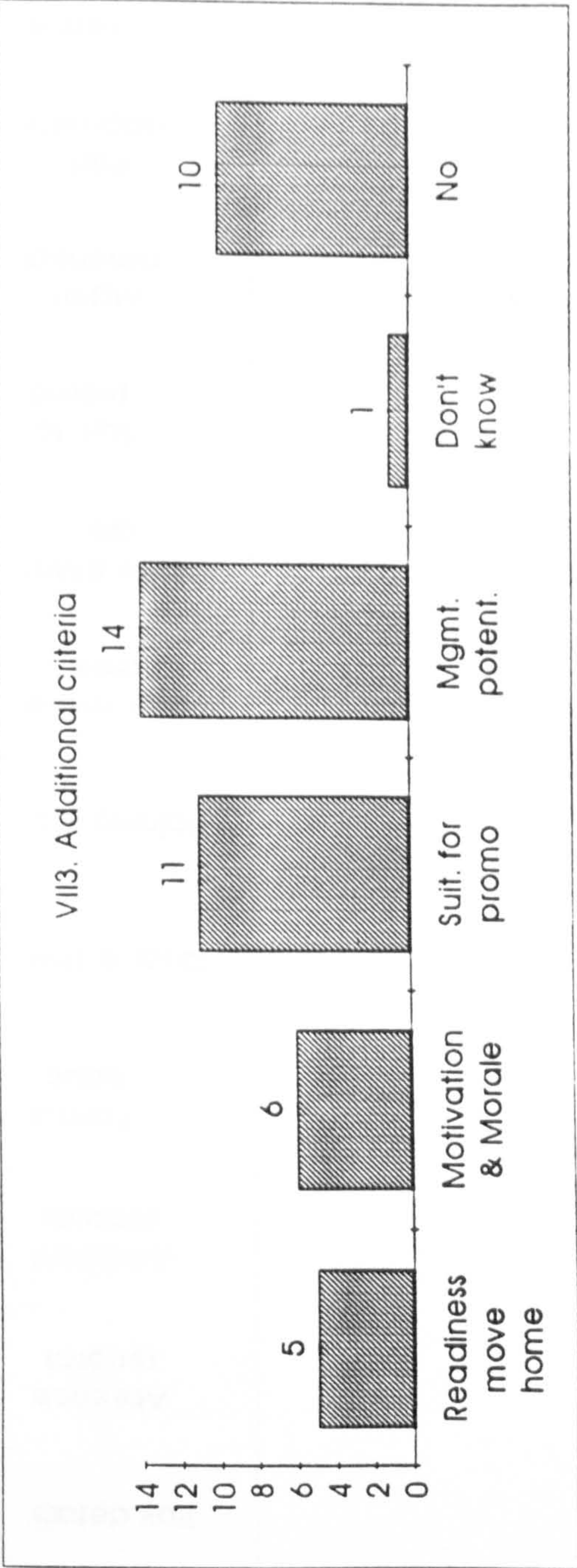
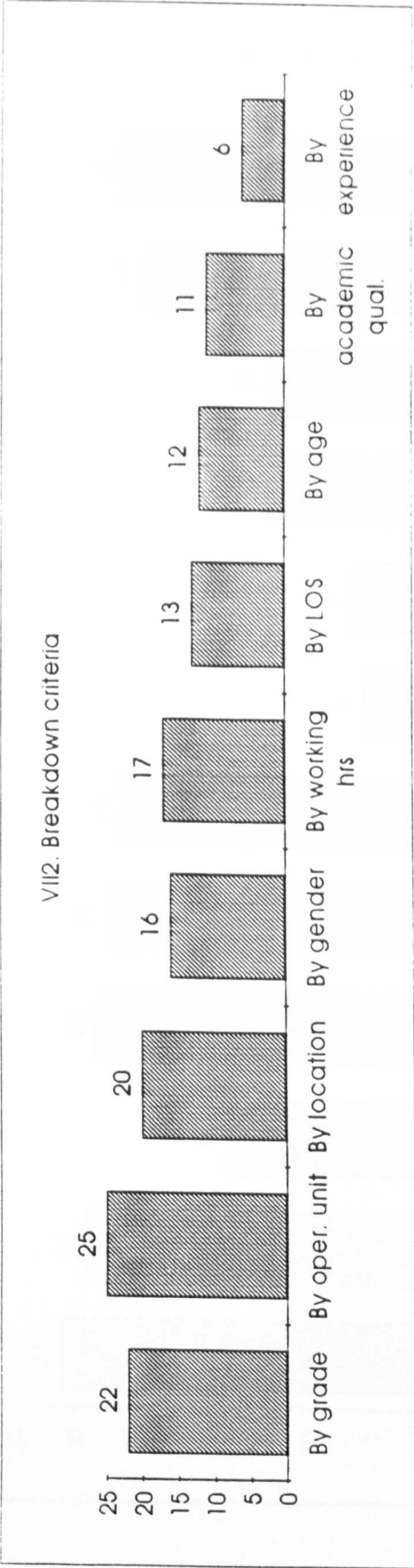
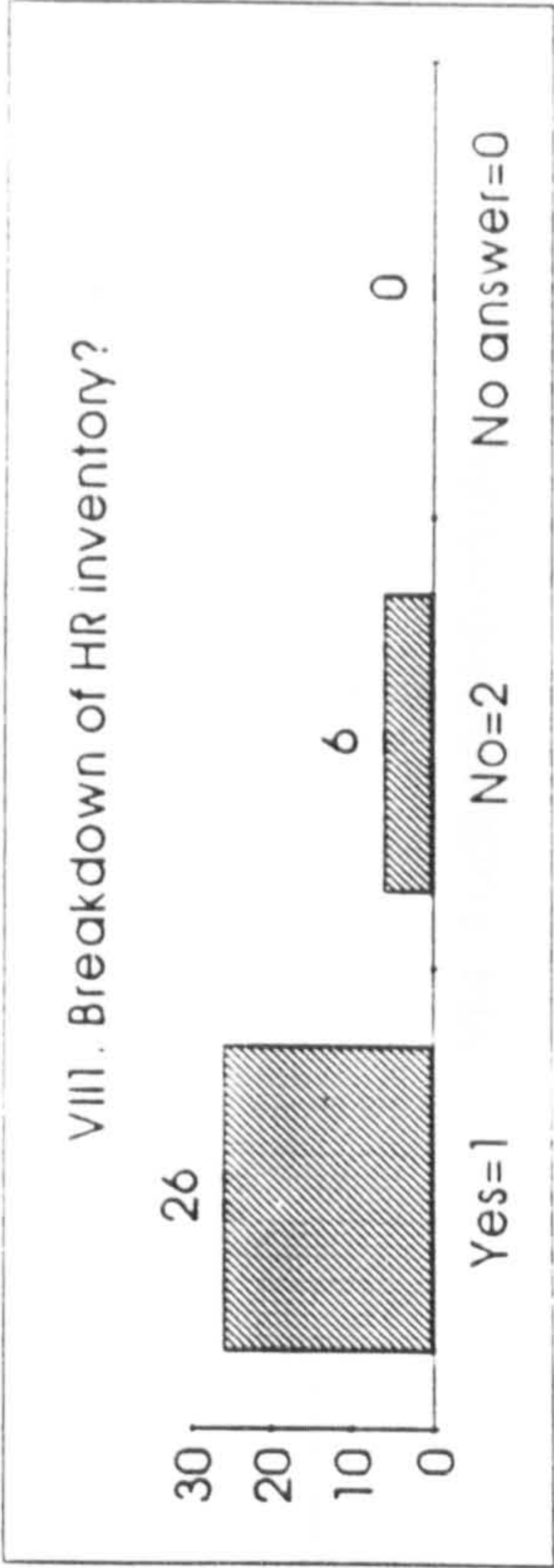
Question 6 "Are any of the above ratios used to evaluate the HR function?"

Count	Percent	Answer	Codes/Criteria:					
3	9.4%	Profit/empl.	VII6a	VII6b	VII6c	VII6d	VII6e	VII6f
3	9.4%	I/O per empl.	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
0	0.0%	I/O per HR exp.						
4	12.5%	Avg. HR exp.	VII6g	VII6h	VII6i	VII6j	VII6k	VII6l
5	15.6%	Ann lab. I/O	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
2	6.3%	Stability rates						
5	15.6%	Absence Inc. Rates	VII6m	VII6n	VII6o	VII6p		
0	0.0%	Acc. rates	TRUE	TRUE	TRUE	TRUE		
2	6.3%	Absent. costs						
2	6.3%	Support costs						
3	9.4%	Overtime/basic pay						
4	12.5%	Training cost/head						
3	9.4%	Leave costs						
4	12.5%	Recr. cost/head						
1	3.1%	Don't know						
22	68.8%	No						
63		Total						

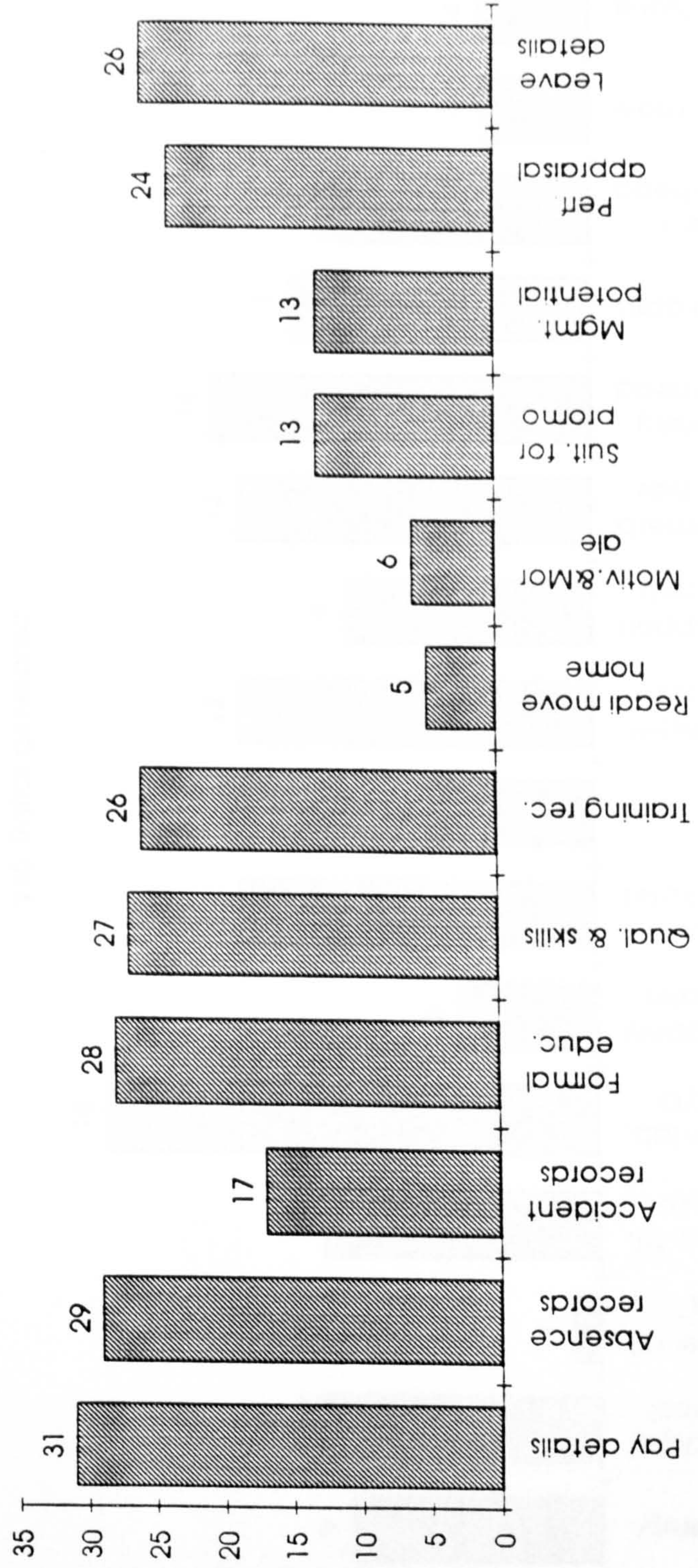
(N.B.: Multiple answers from all 32 companies in the survey)

Question 7 "How are employee records kept and ratios generated?"

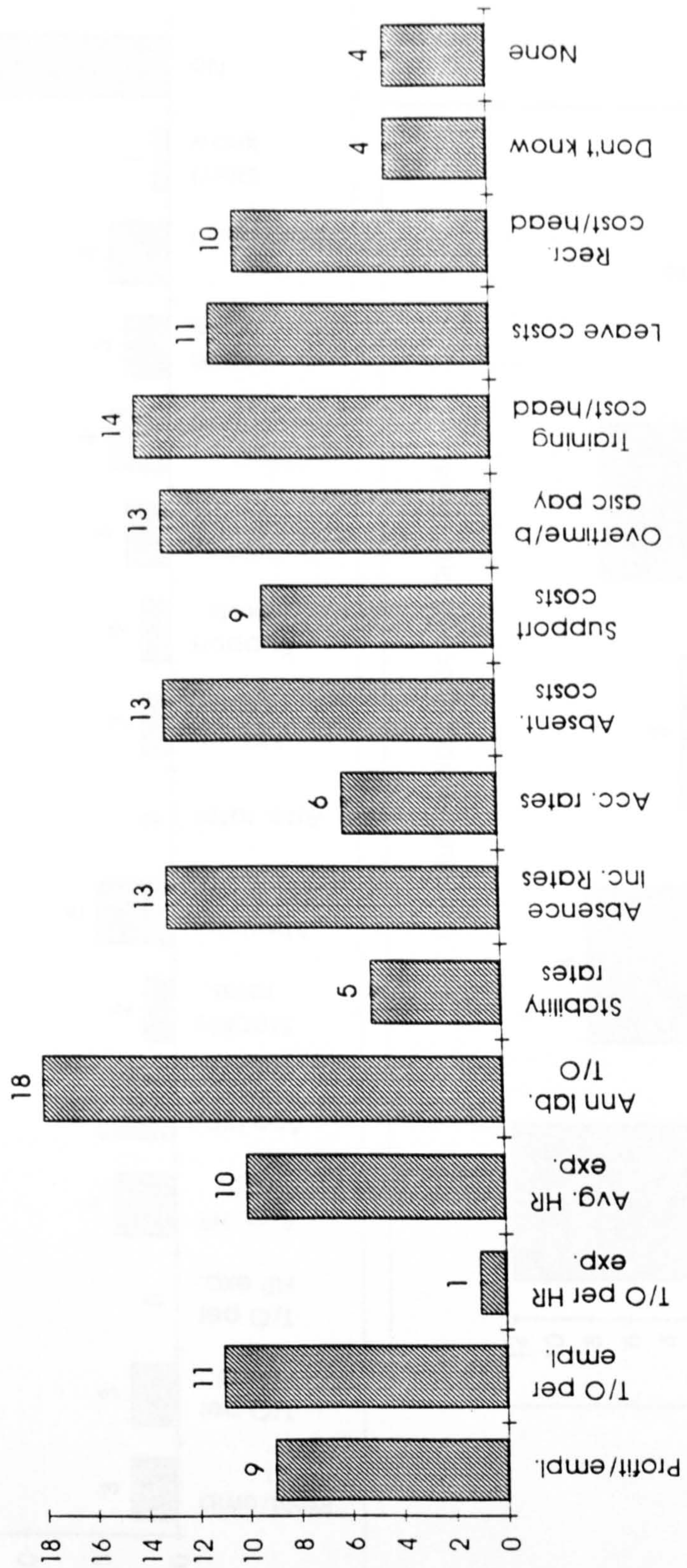
Count	Percent	Answer	Codes/Criteria:			
12	37.5%	Records and ratios computer=	VII7	VII7	VII7	VII7
8	25.0%	Records computer, ratios man	1	2	3	4
3	9.4%	Records manual, ratios computer=3				0
7	21.9%	Records and ratios manual=4				
2	6.3%	No answer=0				
32	100.0%	Total				



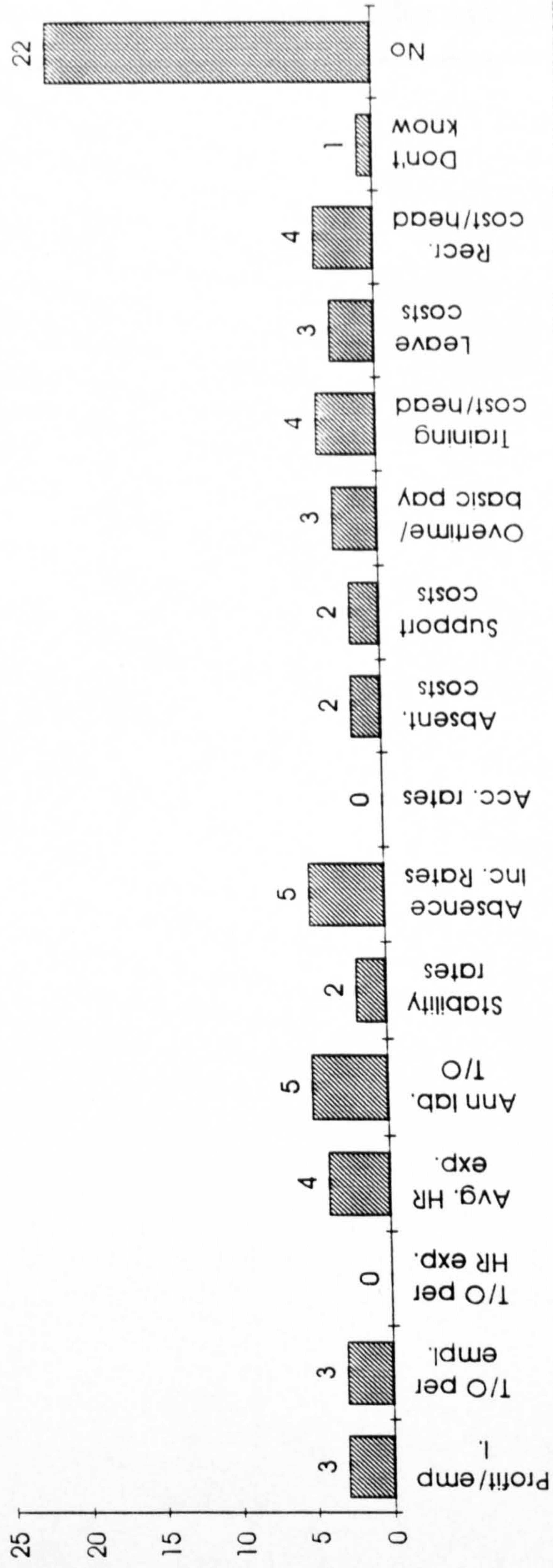
VII4. Additional information



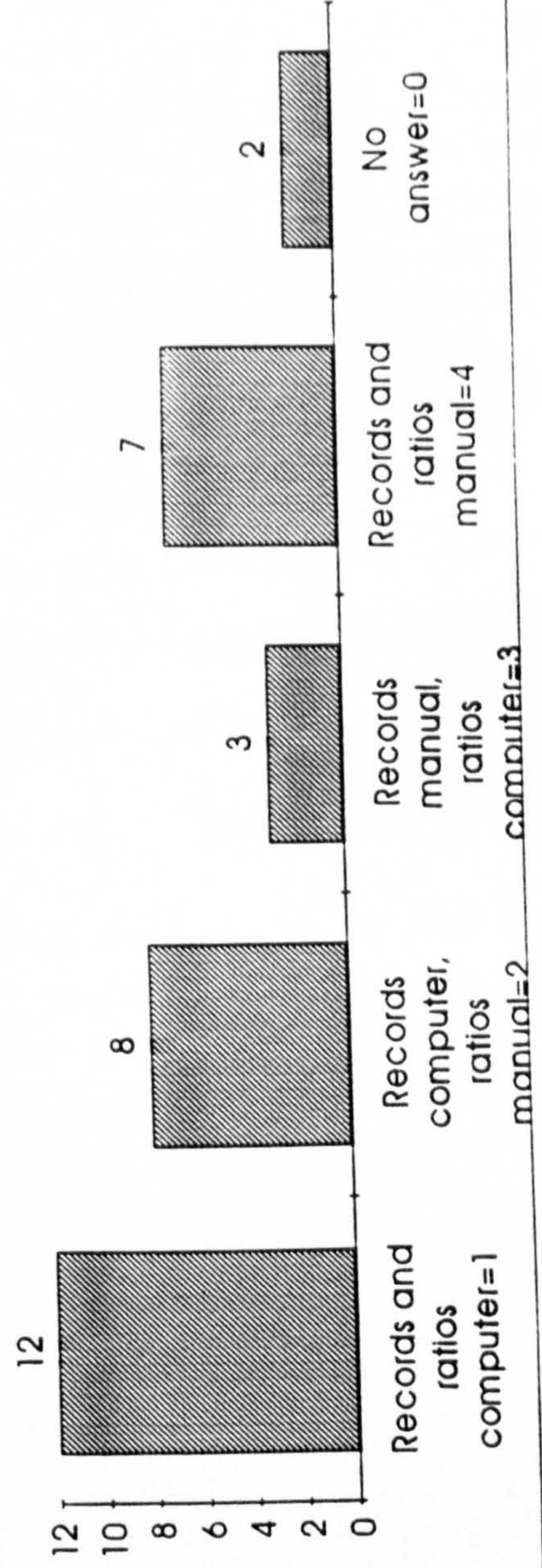
VIII5. Ratios generated



VII6. Ratios used for evaluation of HR function



VII7. Computerisation of records and ratios



APPENDIX 18

Survey Results Tables and Graphs Section VIII

ANALYSIS OF SECTION 8 ANALYSING THE HRM FUNCTION AND THE ORGANISATION

Question 1 "Is there a formal evaluation of the HR Function in your organisation?"

Count	Percent	Answer	Codes/Criteria:			
15	46.9%	Yes=1	VIII1	VIII1	VIII1	VIII1
13	40.6%	No=2	1	2	3	4
2	6.3%	Don't know=3				
2	6.3%	No HR function=4				
0	0.0%	No answer=0				
32	100.0%	Total				

Question 2 "If YES, which of the following criteria are used to evaluate the HR function?"

Count	Percent	% of all	Answer	Codes/Criteria:			
6	40.0%	18.8%	Ratio HR/pop.	VIII2a	VIII2b	VIII2c	VIII2d
3	20.0%	9.4%	HR cost/empl	TRUE	TRUE	TRUE	TRUE
4	26.7%	12.5%	No. vac. filled				
5	33.3%	15.6%	No. Train prog.	VIII2g	VIII2h		
11	73.3%	34.4%	HR Budget	TRUE	TRUE		
6	40.0%	18.8%	AAA				
12	80.0%	37.5%	Target achieve				
0	0.0%	0.0%	Other				
47			Total				

(N.B.: Multiple answers from 15 companies that have a formal evaluation of the HR function)

Question 3 "How often is the HR Function evaluated?"

Count	Percent	Answer	Codes/Criteria:			
2	6.3%	Monthly=1	VIII3	VIII3	VIII3	VIII3
2	6.3%	Quarterly=2	1	2	3	4
6	18.8%	Semiann.=3				
5	15.6%	Annually=4				
17	53.1%	No answer=0				
32	100.0%	Total				

Question 4 "Does your organisation have a marketing approach to evaluating the HR function?"

Count	Percent	% of all	Answer	Codes/Criteria:											
8	53.3%	25.0%	Quickness	VIII4a	TRUE	VIII4b	TRUE	VIII4c	TRUE	VIII4d	TRUE	VIII4e	TRUE	VIII4f	TRUE
5	33.3%	15.6%	Proactivity & Innov.												
10	66.7%	31.3%	Friendly staff												
11	73.3%	34.4%	Compe-tence	VIII4g	TRUE	VIII4h	TRUE								
11	73.3%	34.4%	Cust. satisf.												
0	0.0%	0.0%	Don't know												
2	13.3%	6.3%	No												
1	6.7%	3.1%	Other												
48			Total												

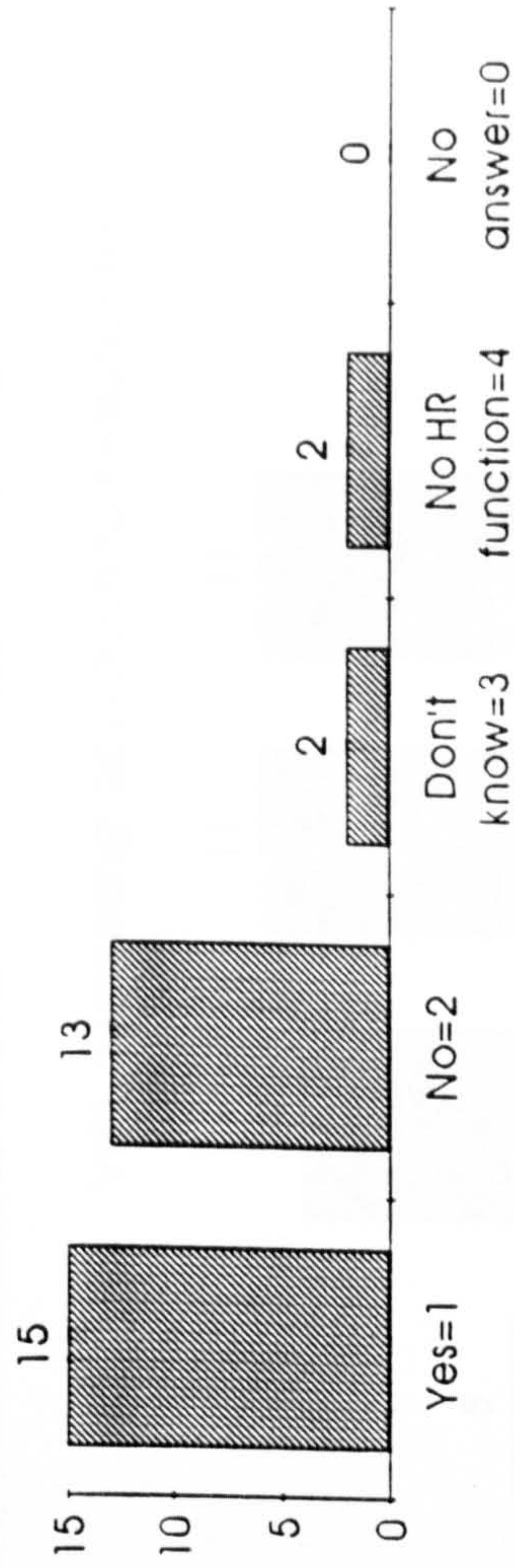
(N.B.: Answers from 15 companies that evaluate their HR function)

Question 5 "Do you analyse any of the following areas of general organisation?"

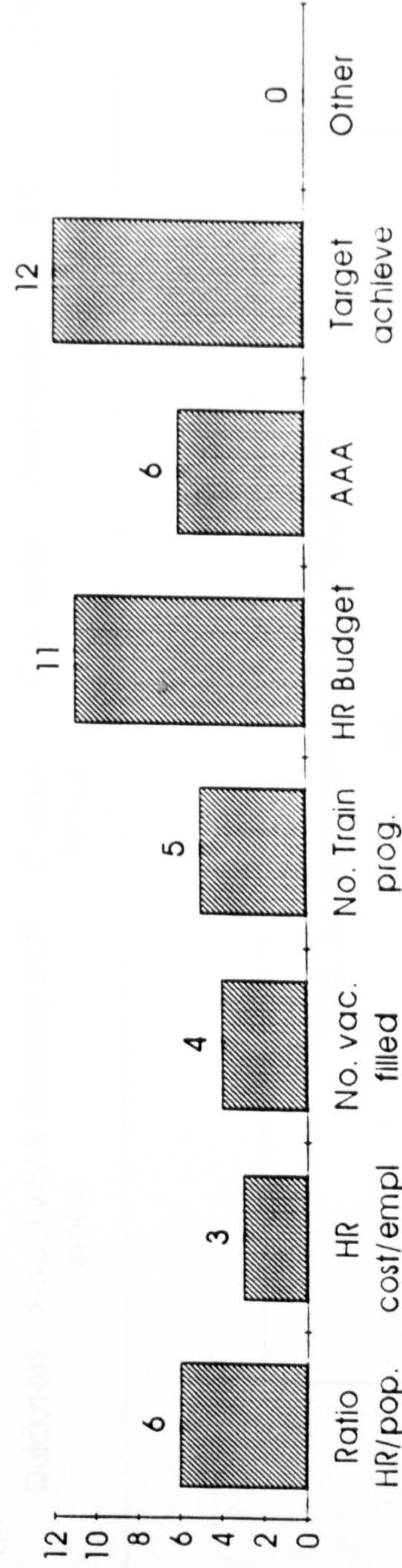
Count	% of all	Answer	Codes/Criteria:									
12	37.5%	Image & Prestige	VIII5a	TRUE	VIII5b	TRUE	VIII5c	TRUE	VIII5d	TRUE	VIII5e	TRUE
7	21.9%	Orga structure										
15	46.9%	Comm. channels										
5	15.6%	Don't know										
8	25.0%	No										
47		Total										

(N.B.: Multiple answers. No filter question) Calculated YES= 19 ??????

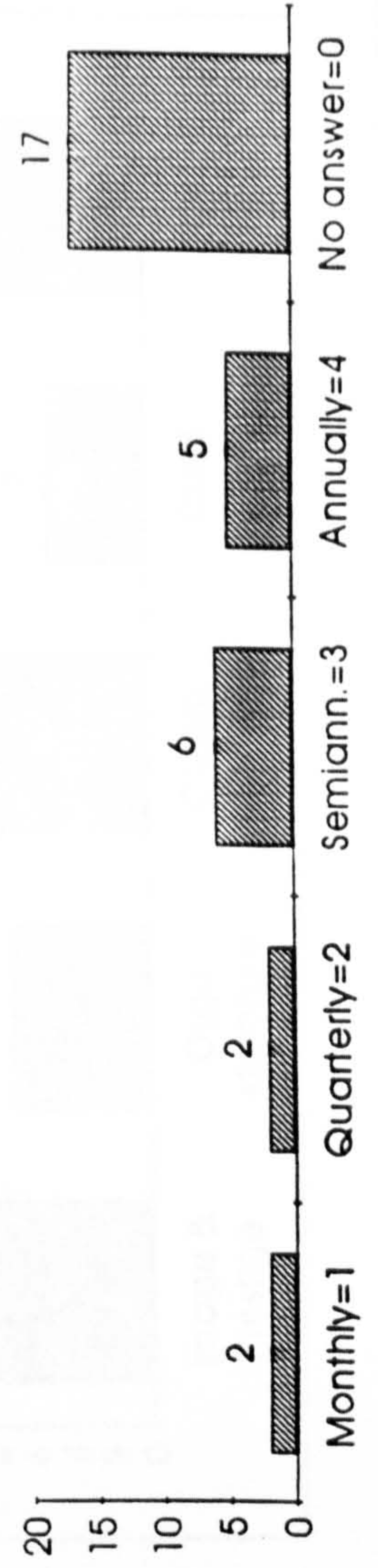
VIII1. Evaluate HR function?



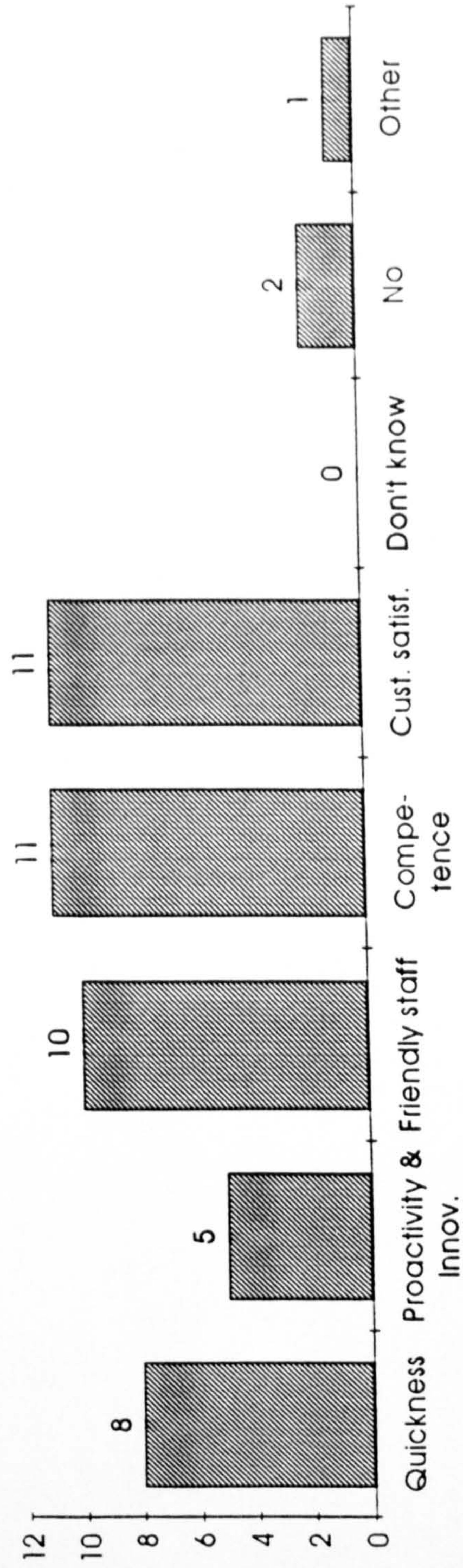
VIII2. Criteria for Evaluation



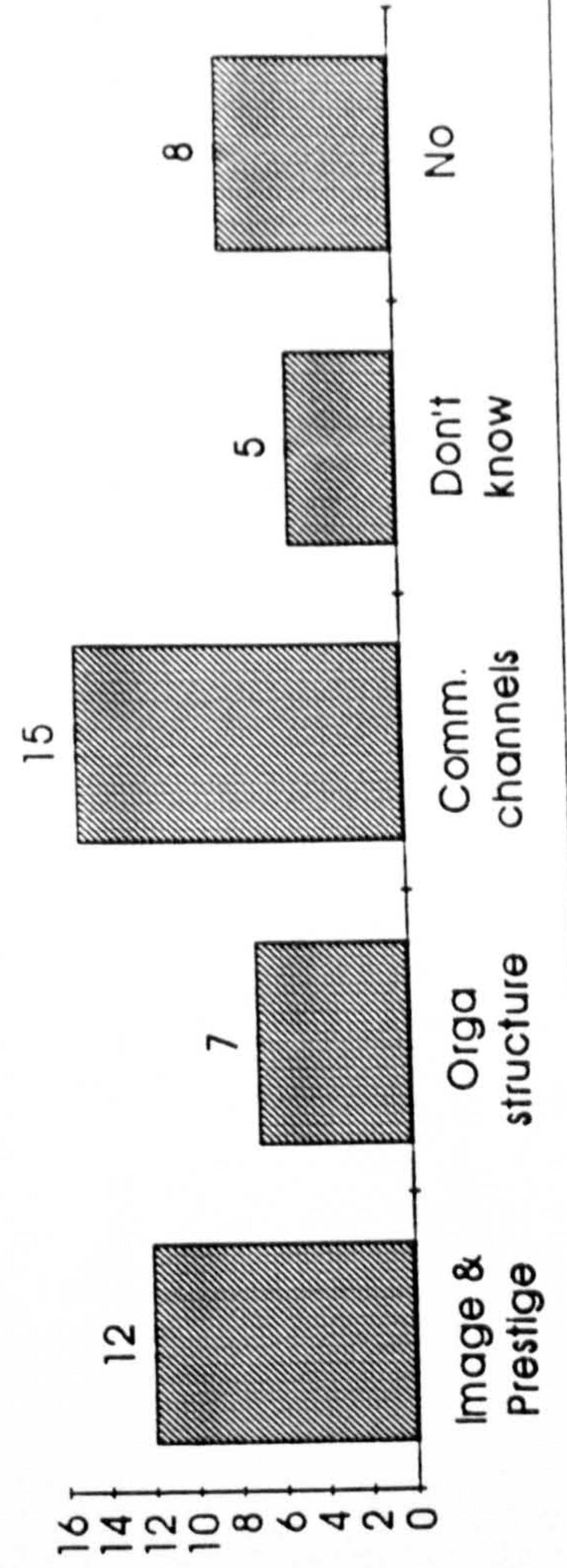
VIII3. How often is HR function evaluated?



VIII4. 'Marketing' approach to Evaluation?



VIII5. Analyse general organisation?



APPENDIX 19

Survey Results Tables and Graphs Section IX

ANALYSIS OF SECTION 9 COMPANY PROFILES

Question 1 "Does the HR function create or contribute to a Company Profile?"

Count	Percent	Answer	Codes/Criteria:			
11	34.4%	Yes=1	IX1	IX1	IX1	
14	43.8%	NO=2	1	2	3	0
6	18.8%	Don't know=3				
1	3.1%	No answer=4				
32	100.0%	Total				

Question 2 "If YES, what do you compare the company profile to?"

Count	Percent	% of all	Answer	Codes/Criteria:			
7	63.6%	21.9%	Competitors	IX2a	IX2b	IX2c	IX2d
4	36.4%	12.5%	Ind. reg.	TRUE	TRUE	TRUE	TRUE
5	45.5%	15.6%	Ind. nat.				
2	18.2%	6.3%	Ind. Intern.	IX2g			
3	27.3%	9.4%	Prod./ market evol.	TRUE			
2	18.2%	6.3%	No comparisons				
0	0.0%	0.0%	Other				
23			Total				

(N.B.: Answers from 11 companies that create or contribute to a Company Profile)

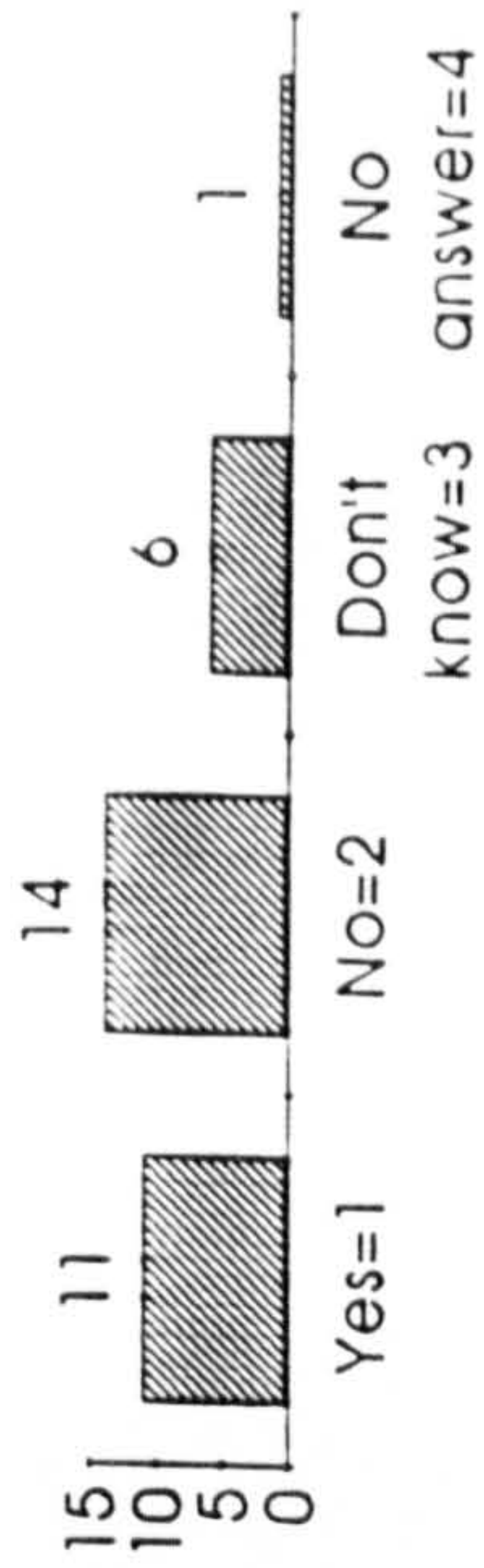
Question 3 "Prior to formulating strategic courses of action, do you...?"

Count	Percent	Answer	Codes/Criteria:			
11	33.3%	Produce report	IX3a	IX3b	IX3c	IX3d
3	9.1%	Combine Internal & external	TRUE	TRUE	TRUE	TRUE
3	9.1%	Construct matrix				
3	9.1%	Summary				
0	0.0%	Do nothing				
1	3.0%	Use other tools				
12	36.4%	No answer				
33	100.0%	Total				

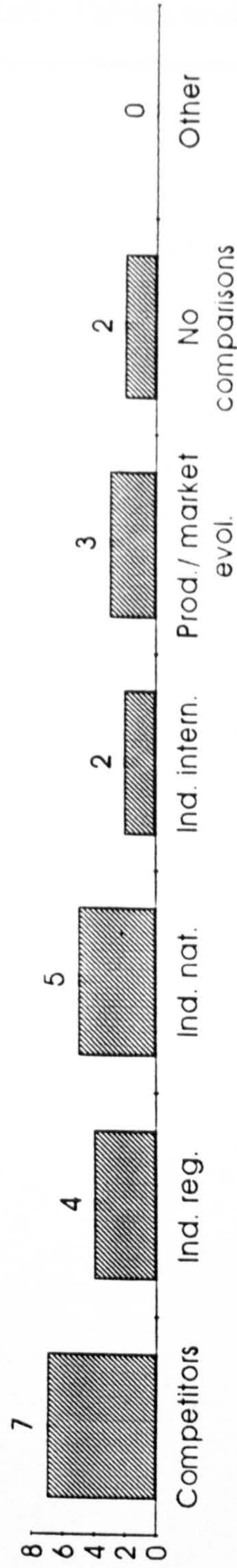
(N.B. Calculated YES= 20 companies do something prior to making strategic decions)

= 62.5% of all companies in the survey

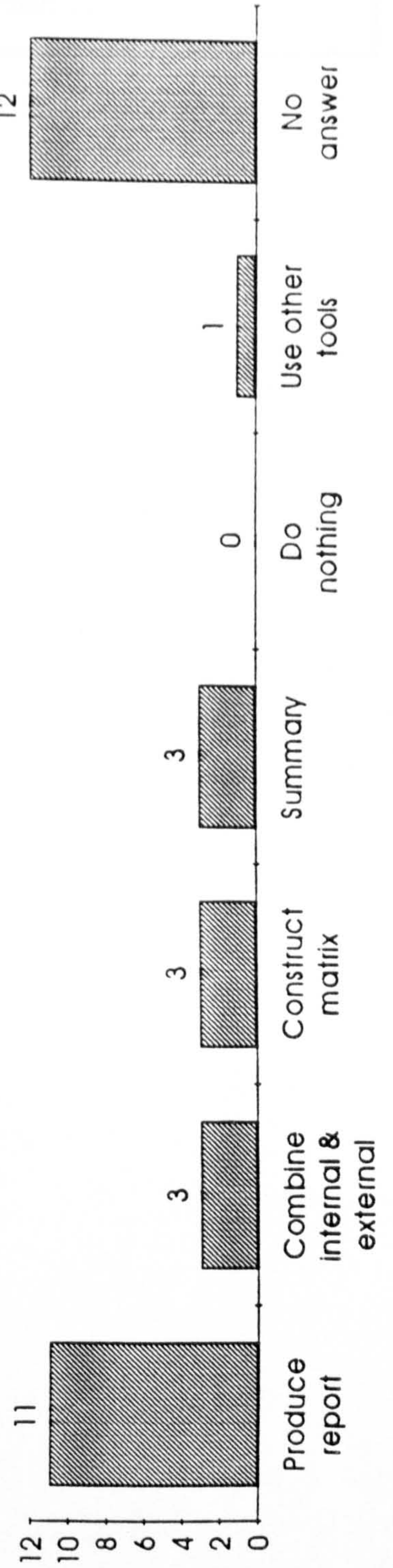
IX1. Create or contribute to Company Profile?



IX2. Company Profile compared to



IX3. Combination of internal and analysis by...



APPENDIX 20

Survey Results Tables and Graphs Section X

ANALYSIS OF SECTION 10 FORMULATING BUSINESS AND HUMAN RESOURCE STRATEGIES

Question 1a "Does your organisation have a corporate strategy, a business strategy or a strategic plan?"

Count Percent Answer		Codes/Criteria				
Count	Percent	Answer	X1a	X1b	X1a	X1b
27	84.4%	Yes, written down=1				
3	9.4%	Yes, unwritten=2	1	2	3	4
0	0.0%	No=3				0
2	6.3%	Don't know=4				
0	0.0%	No answer=0				
32	100.0%	Total				

Question 1b "If YES, how long is the planning horizon?"

Count Percent Answer		Codes/Criteria:				
Count	Percent	Answer	X1b	X1b	X1b	X1b
4	12.5%	One year=1	1	2	3	4
2	6.3%	Two years=2				5
3	9.4%	Three years=3				6
18	56.3%	Five years=4				0
1	3.1%	Ten years=5				
1	3.1%	Other=6				
3	9.4%	No answer=0				
32	100.0%	Total				

Question 2a "What is your role in formulating corporate strategy?"

Count Percent Answer		Codes/Criteria:				
Count	Percent	Answer	X2a	X2a	X2a	X2a
0	0.0%	Leader/ Chair=1				
9	28.1%	Participant=2	1	2	3	4
4	12.5%	Advisor=3				5
8	25.0%	Preparations for HOD =4				6
4	12.5%	Preparations =5				
6	18.8%	Not involved =6				
1	3.1%	No answer=0				
32	100.0%	Total				

Question 2b "If the HR function is NOT involved who represents HR issues?"

Count	Percent	Answer	Codes/Criteria:					
3	9.4%	CEO=1	X2b	X2b	X2b	X2b	X2b	X2b
0	0.0%	Finance =2	1	2	3	4	5	6
0	0.0%	Marketing =3						
0	0.0%	Operations =4						
1	3.1%	Nobody =5						
0	0.0%	Other =6						
28	87.5%	No answer=0						
32	100.0%	Total						

Question 3a "How would you rate the HR functions influence on strategic decision making?"

Count	Percent	Answer	Codes/Criteria:					
2	6.3%	Very high=1	X3a	X3a	X3a	X3a	X3a	X3a
7	21.9%	High=2	1	2	3	4	5	6
15	46.9%	Moderate =3						
5	15.6%	Low=4						
1	3.1%	Very low=5						
2	6.3%	No answer=0						
32	100.0%	Total						

Average: 2.9 (excluding no answers)

Question 3b "Has this influence changed in the last three years. Has it...?"

Count	Percent	Answer	Codes/Criteria:				
3	9.4%	Greatly increased=1	X3b	X3b	X3b	X3b	X3b
15	46.9%	Increased=2	1	2	3	4	5
11	34.4%	Not changed=3					0
1	3.1%	Decreased=4					
0	0.0%	Greatly decreased=5					
2	6.3%	No answer=0					
32	100.0%	Total					

Average: 2.3 (excluding no answers)

Question 4 "Would you describe the strategic decision making process as a political or rational process?"

Count	Percent	Answer	Codes/Criteria:				
0	0.0%	Highly political =1	X4	X4	X4	X4	X4
1	3.1%	Political =2	1	2	3	4	5
16	50.0%	Balanced =3					
9	28.1%	Rational =4					
3	9.4%	Highly rational =5					
3	9.4%	No answer=0					
32	100.0%	Total					

Average: 3.5 (excluding no answers)

Question 5a "Does your organisation have a Human Resource strategy?"

Count	Percent	Answer	Codes/Criteria:				
17	53.1%	Yes, written down=1	X5a	X5a	X5a	X5a	X5a
6	18.8%	Yes, unwritten=2	1	2	3	4	0
6	18.8%	No=3					
3	9.4%	Don't know=4					
0	0.0%	No answer=0					
32	100.0%	Total					

Question 5b "If YES, how long is the planning horizon?"

Count	Percent	Answer	Codes/Criteria:					
			X5b	X5b	X5b	X5b	X5b	X5b
7	21.9%	One year=1	1	2	3	4	5	6
3	9.4%	Two years=2						
3	9.4%	Three years=3						
7	21.9%	Five years=4						
0	0.0%	Ten years=5						
0	0.0%	Other=6						
12	37.5%	No answer=0						
32	100.0%	Total						

Question 5c "How would you describe the linkage between HR and business strategy?"

Count	Percent	Answer	Codes/Criteria:			
			X5c	X5c	X5c	X5c
6	18.8%	HR & BS Intrinsic=1	1	2	3	4
6	18.8%	HRS Influences BS=2				
7	21.9%	HRS Responds to BS=3				
4	12.5%	HRS Responds partially to BS=4				
0	0.0%	No linkage=5				
9	28.1%	No answer=0				
32	100.0%	Total				

Question 6 "What is your role in formulating HR strategy?"

Count	Percent	Answer	Codes/Criteria:			
			X6	X6	X6	X6
8	25.0%	Leader/ Chair=1	1	2	3	4
7	21.9%	Participant=2				
4	12.5%	Advisor=3				
3	9.4%	Preparations for HOD =4				
0	0.0%	Preparations =5				
2	6.3%	Not Involved =6				
8	25.0%	No answer=0				
32	100.0%	Total				

SECT10.XLS

Question 7 "Which elements of HRM are incorporated in the HR Strategy?"

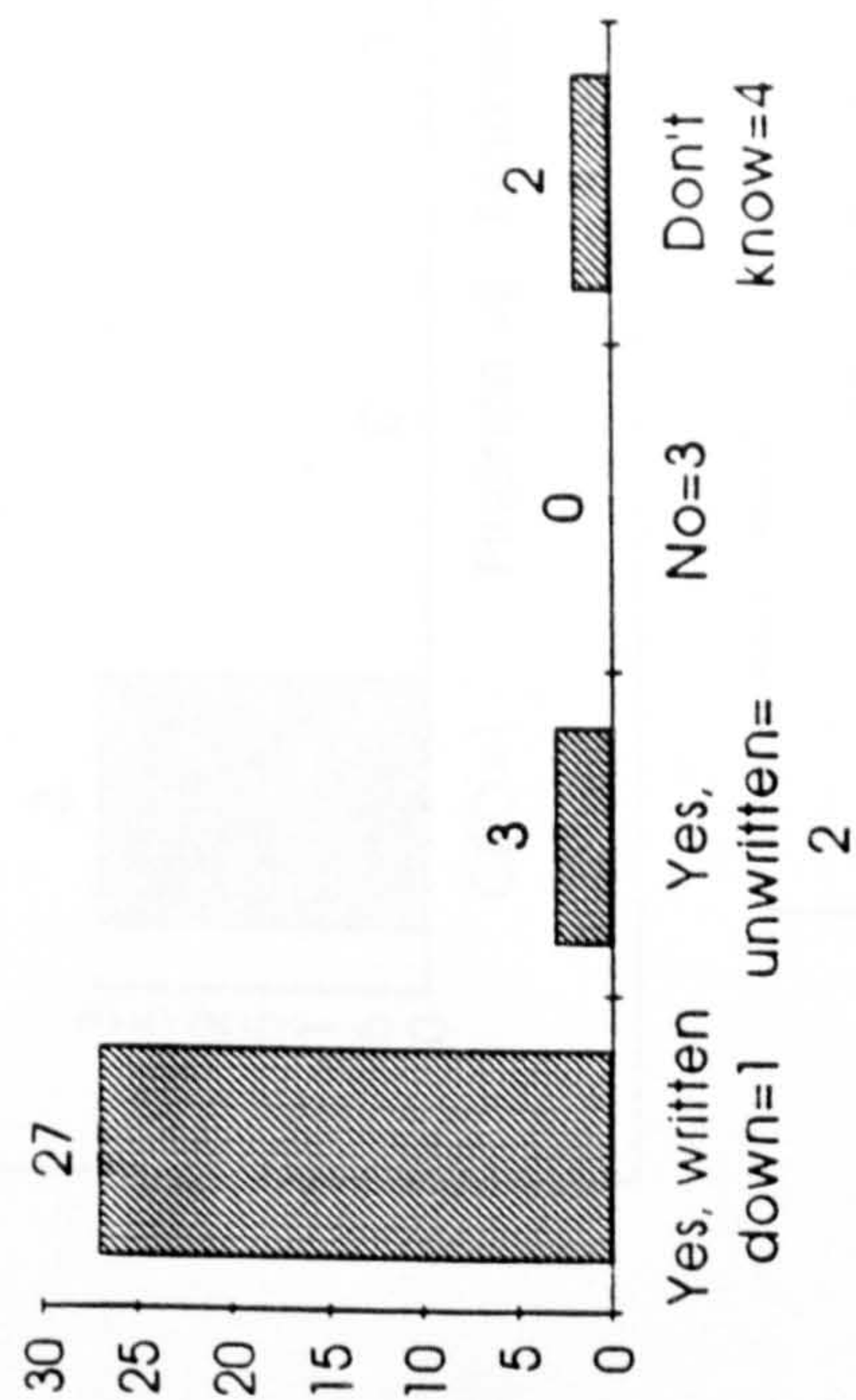
Count	Percent	% of all	Answer	Codes/Criteria:						
21	91.3%	65.6%	Recruitment	X7a	X7b	X7c	X7d	X7e	X7f	
19	82.6%	59.4%	Selection	TRUE	TRUE	TRUE	TRUE	TRUE	TRUE	
20	87.0%	62.5%	I & D							
17	73.9%	53.1%	Career planning	X7g	X7h	X7i				
19	82.6%	59.4%	Appraisal	TRUE	TRUE	TRUE				
20	87.0%	62.5%	Remuneration							
14	60.9%	43.8%	HR planning							
17	73.9%	53.1%	Employee Rel.							
1	4.3%	3.1%	Other							
148			Total							

(N.B.: Answers from 23 companies that have a HR strategy.)

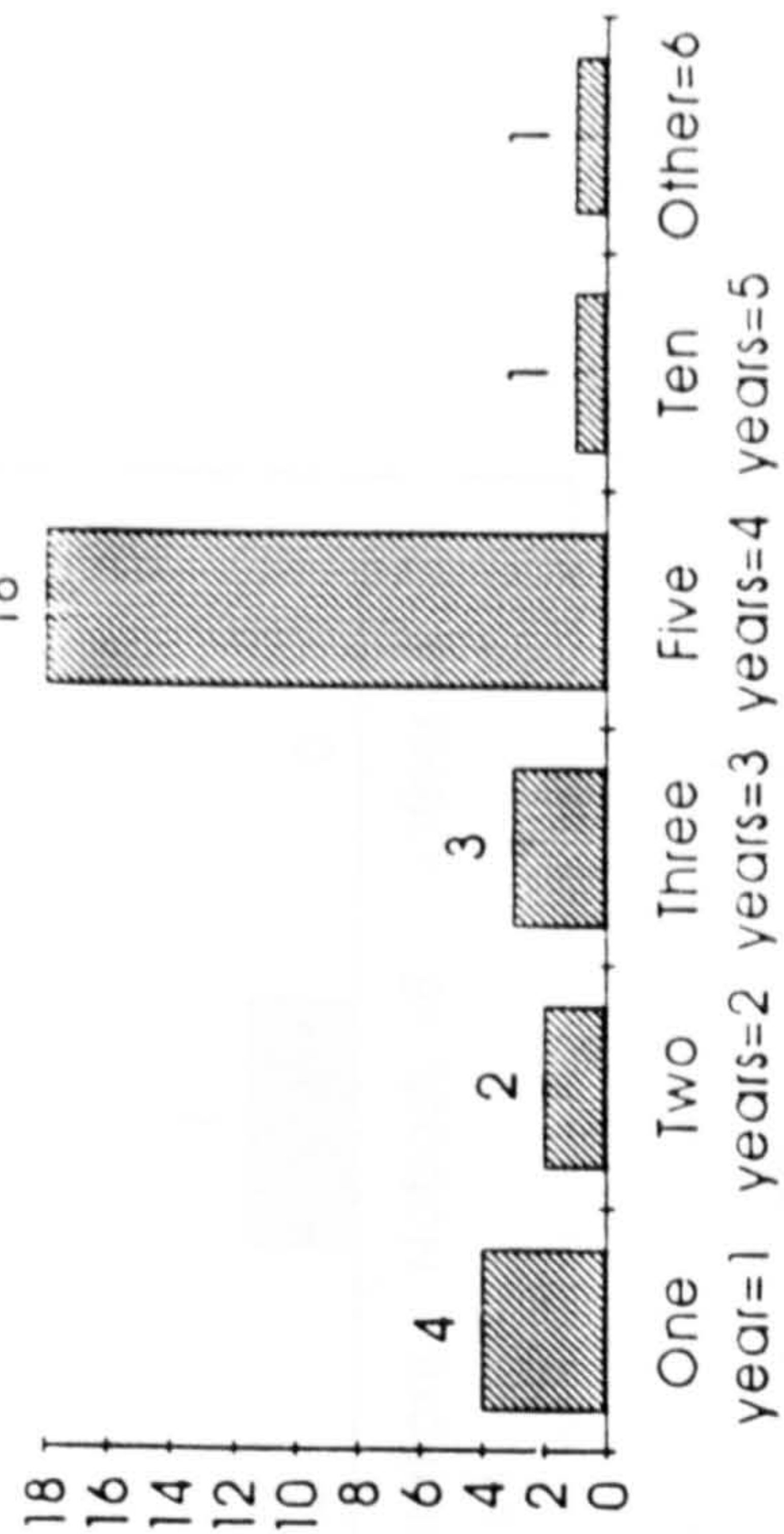
Question 8 "How would you describe the HR function in your organisation?"

Count	Percent	Answer	Codes/Criteria:				
6	18.8%	Administrators =1	X8	X8	X8	X8	X8
10	31.3%	Personnel Managers =2	1	2	3	4	5
10	31.3%	HR Managers =3					0
5	15.6%	Strategic HR Managers =4					
1	3.1%	Other=5					
0	0.0%	No answer=0					
32	100.0%	Total					

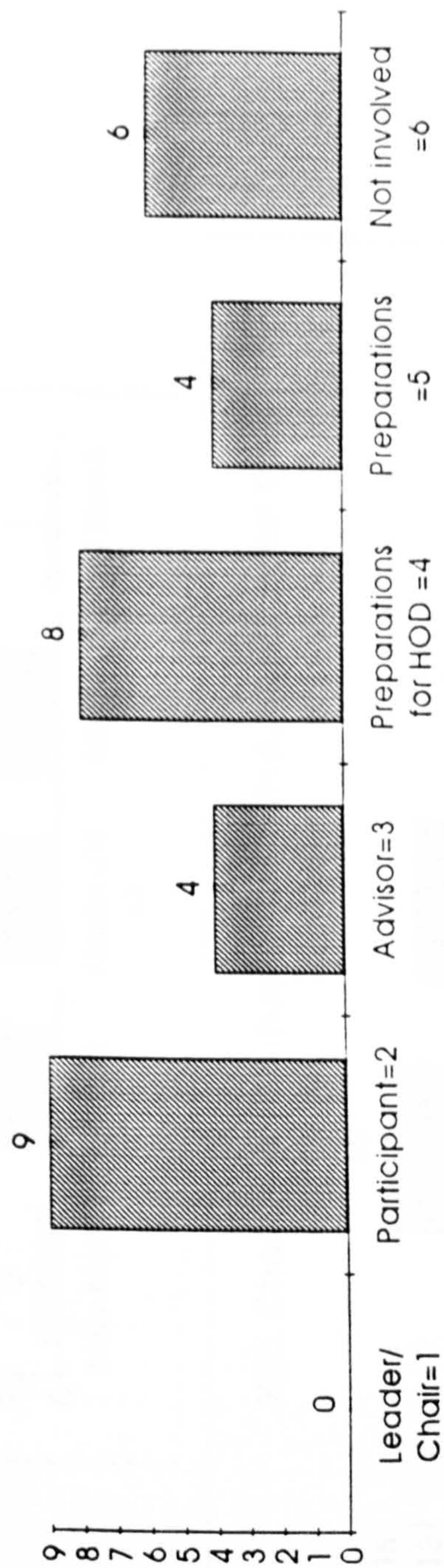
X1a. Corporate/Business Strategy



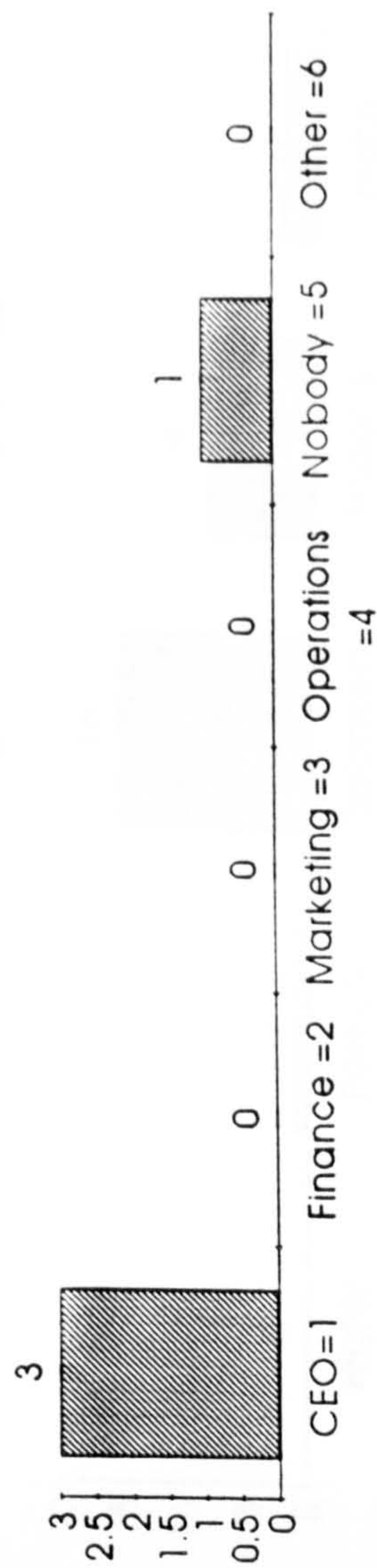
X1b. Planning horizon
Corporate/Business Strategy



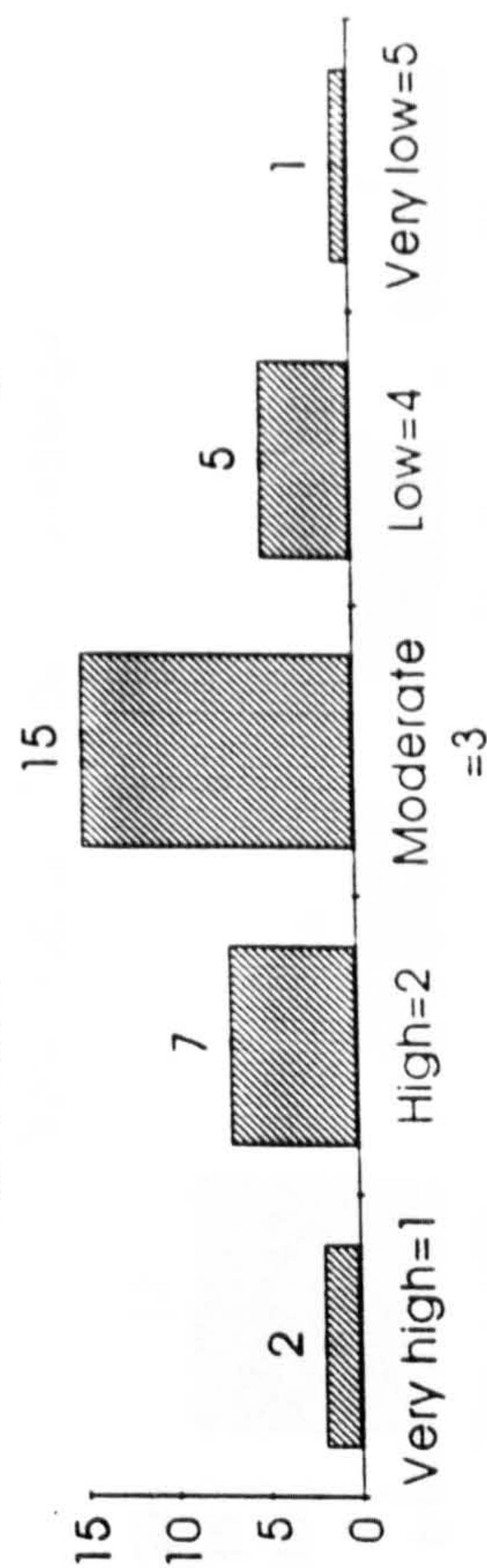
X2a. Respondent's role in formulating CS



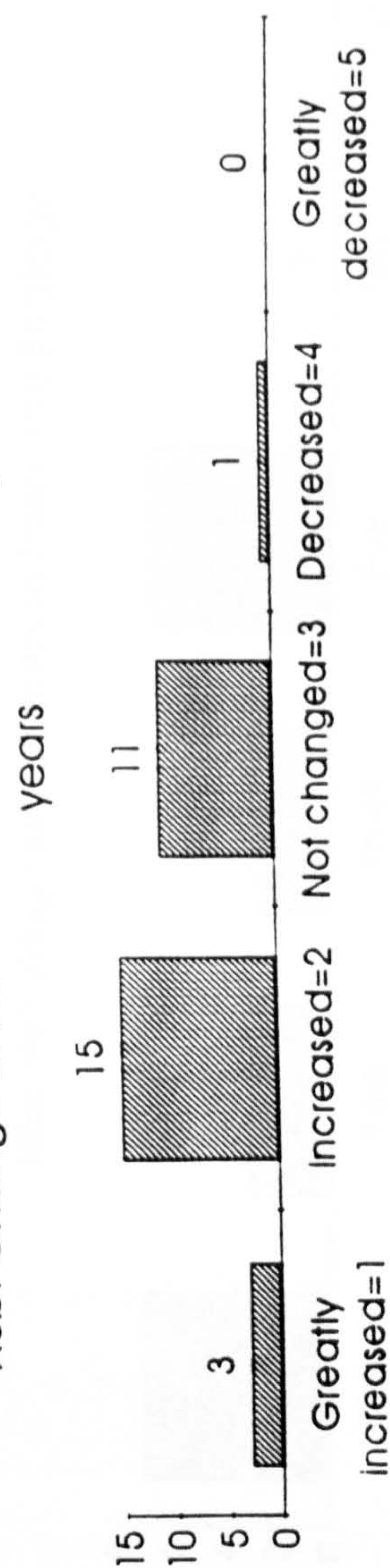
X2b. Representation of HR issues by other than HR function



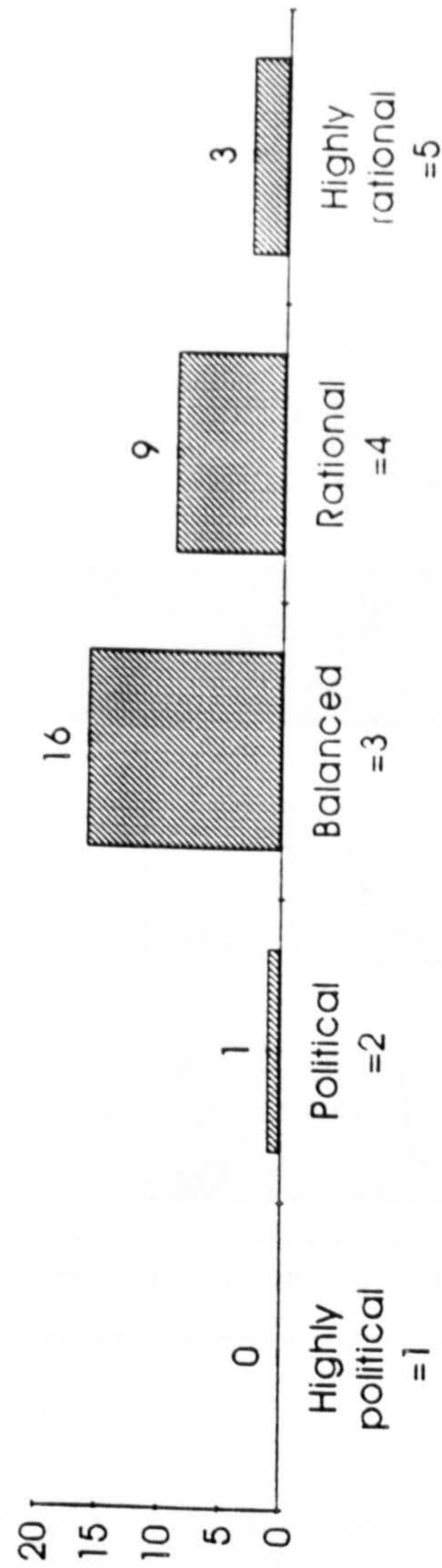
X3a. HR influence on formulating CS



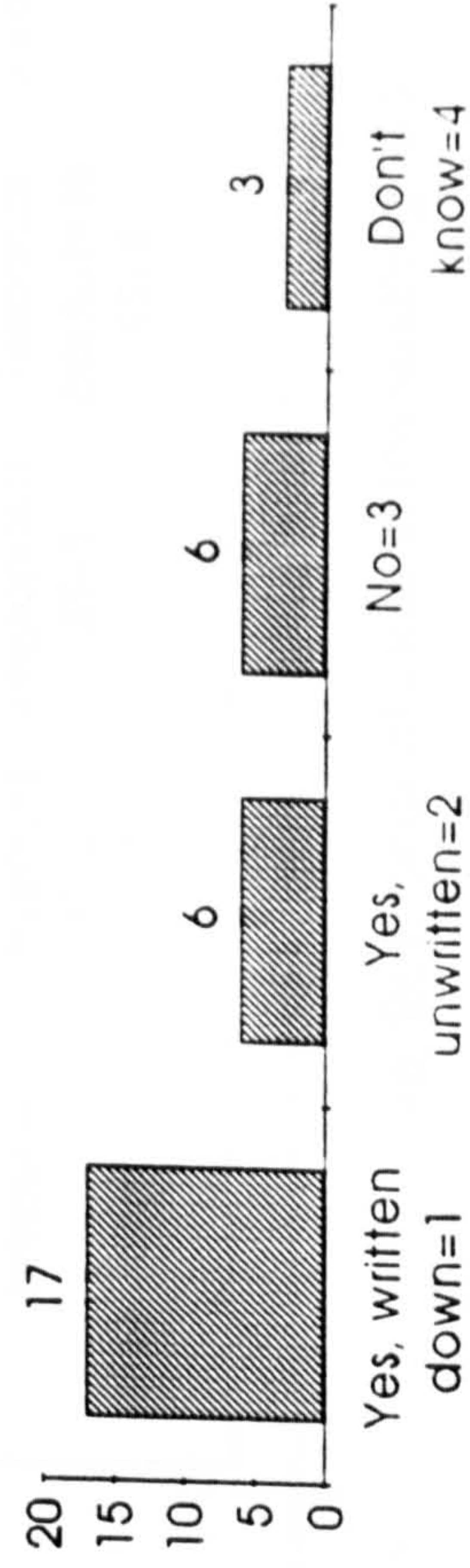
X3b. Change of HR influence on formulating CS in last three years



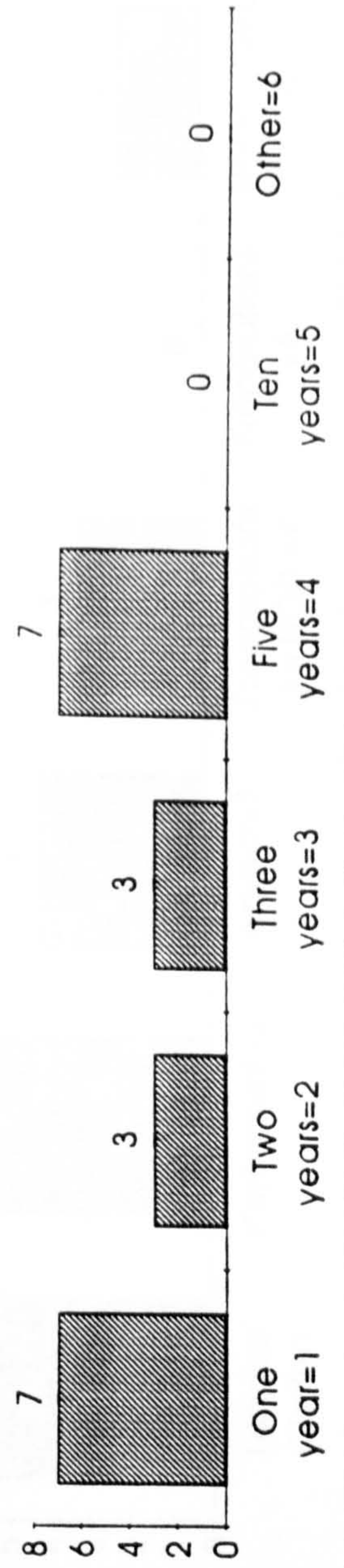
X4. Nature of Strategy formulation process



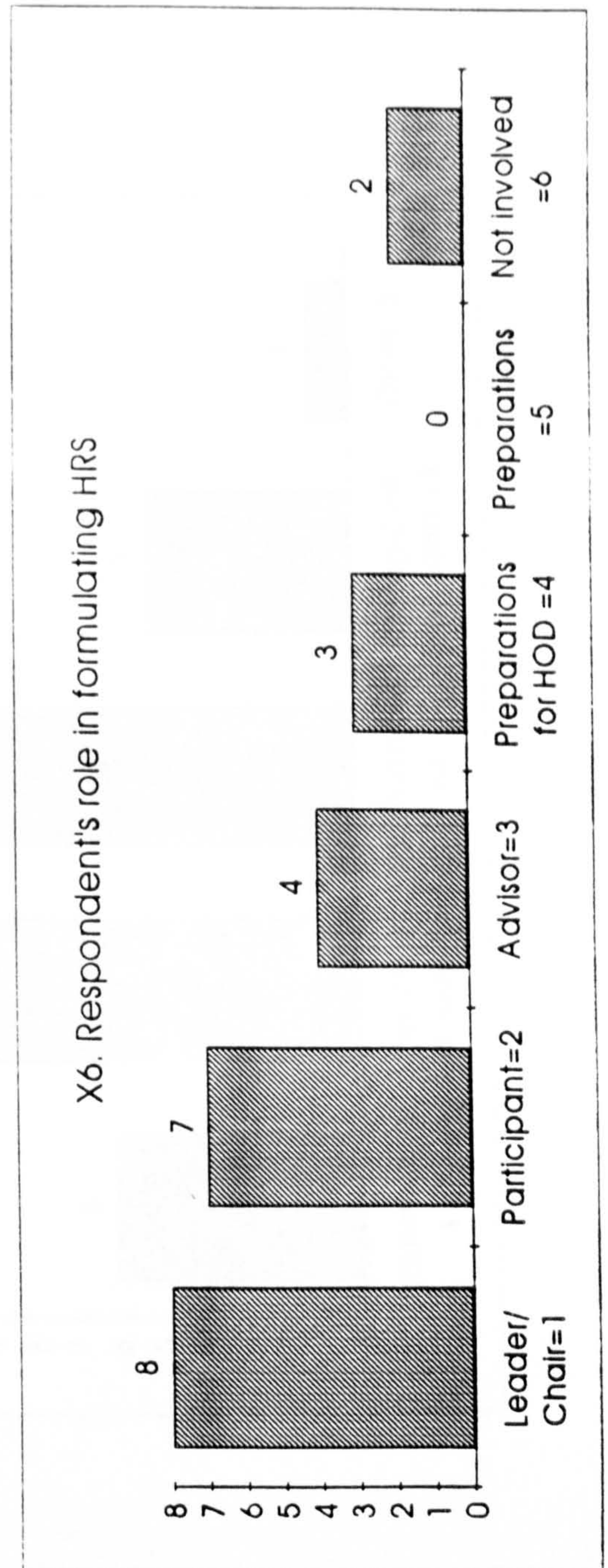
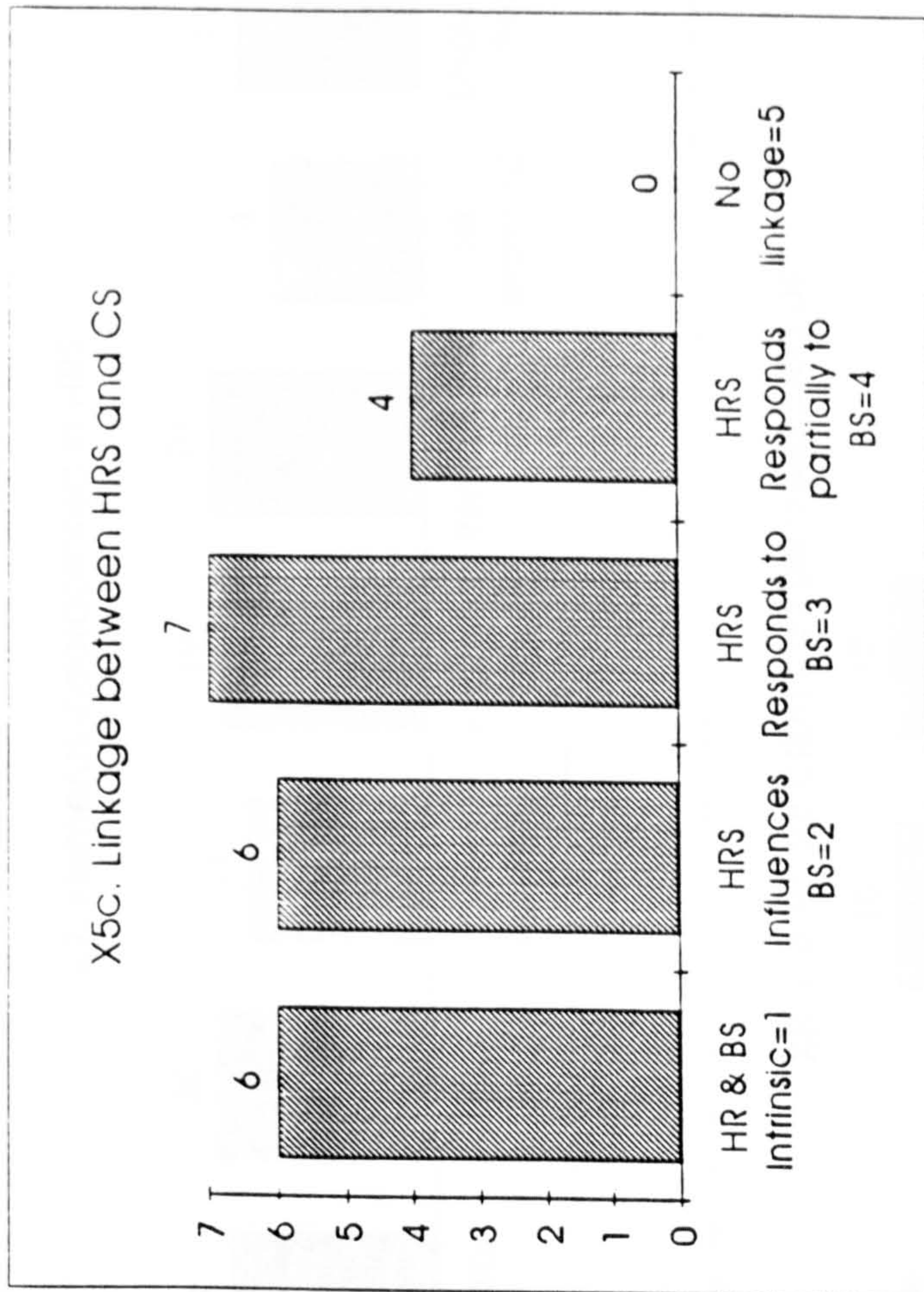
X5a. Human Resource Strategy



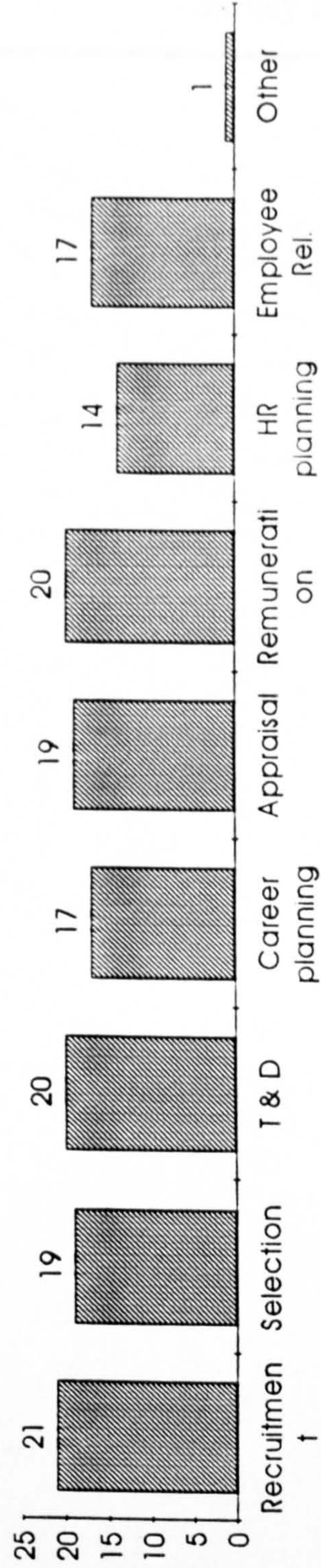
X5b. Planning horizon Human Resource Strategy



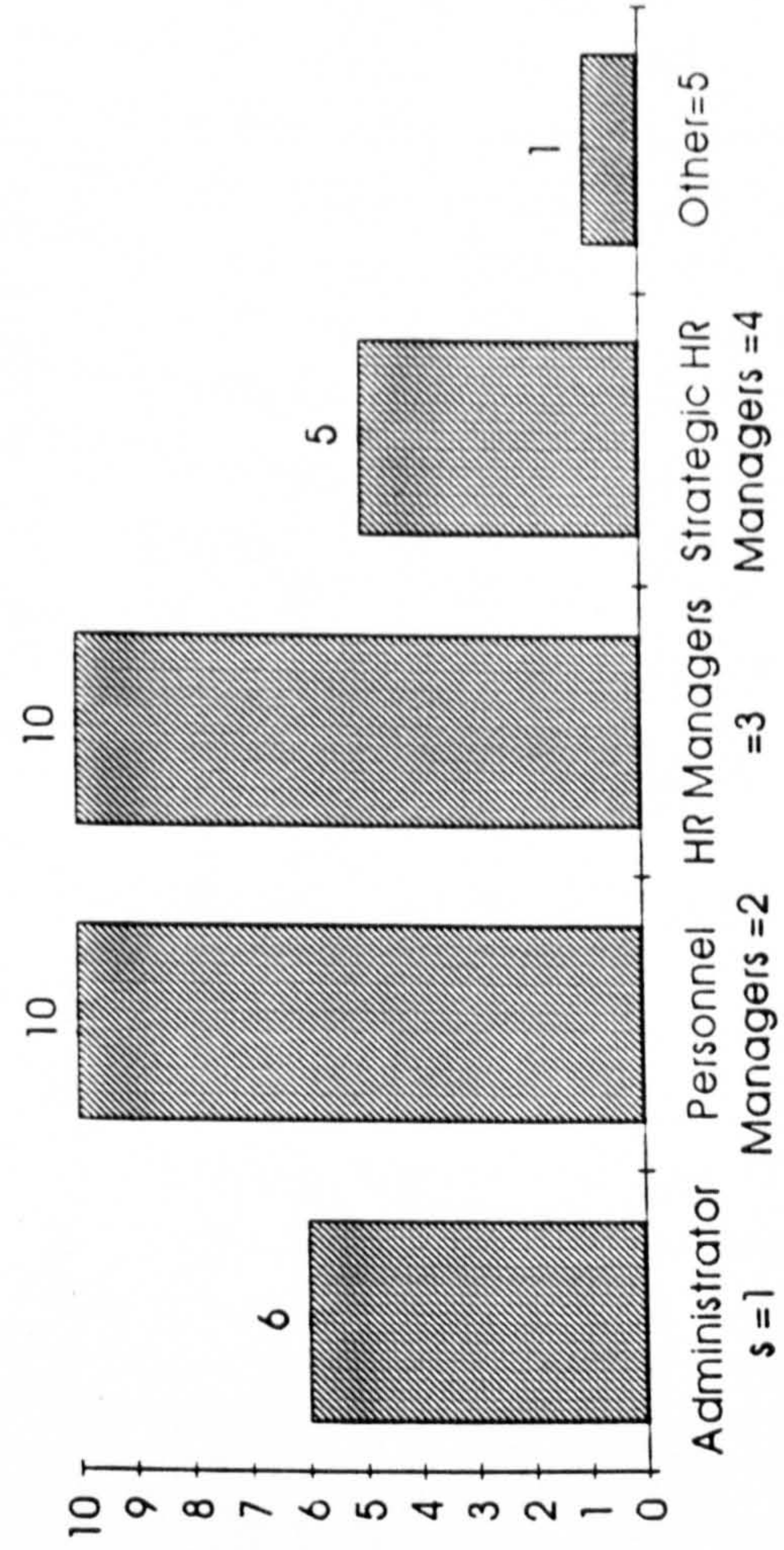
SECTION 10.XLS



X7. Elements incorporated in HRS



X8. The HR function can be described as..



APPENDIX 21

<h3>Survey Results Tables and Graphs Section XI</h3>
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ANALYSIS OF SECTION 11 ADDITIONAL QUESTIONS ABOUT RESPONDENT

Question 1 "What is your official job title?"

Count	Percent	Answer	Codes/Criteria:					
1	3.1%	CEO/MD =1	XI1	XI1	XI1	XI1	XI1	XI1
4	12.5%	Dir. HRM/Pers. =2		1	2	3	4	5
18	56.3%	Mgr. HRM/Pers.=3						6
1	3.1%	Dir. Admin =4	XI1	XI1	XI1	XI1	XI1	
2	6.3%	Mgr. Admin =5		7	8	9	11	10
1	3.1%	Company Secretary =6						
0	0.0%	SPO =7						
2	6.3%	PO =8						
0	0.0%	Pers. Ass. =9						
2	6.3%	Partner=10						
1	3.1%	No answer=0						
32	100.0%	Total						

Question 2 "What is your function within the department?"

Count	Percent	Answer	Codes/Criteria:					
6	18.8%	Director =1	XI2	XI2	XI2	XI2	XI2	XI2
3	9.4%	Training Mgr. =2		1	2	3	4	5
1	3.1%	Recruit. Mgr. =3						6
9	28.1%	Manager =4	XI2	XI2	XI2			
4	12.5%	Officer/ Specialist =5		7	8	0		
0	0.0%	Assistant=6						
8	25.0%	HOD=7						
1	3.1%	Section Head =8						
0	0.0%	No answer =0						
32	100.0%	Total						

Question 3 "What is your highest academic qualification?"

Count	Percent	Answer	Codes/Criteria:				
1	3.1%	O-levels =1	XI3	XI3	XI3	XI3	XI3
4	12.5%	A-Levels=2		1	2	3	4
3	9.4%	HNC/HND =3					5
1	3.1%	MBA =4	XI3	XI3			6
16	50.0%	Bachelor Deg. =5		7	0		
5	15.6%	Masters =6					
0	0.0%	Doctorate =7					
2	6.3%	No answer =0					
32	100.0%	Total					

Question 4 "Do you hold any professional qualifications?"

Count	Percent	Answer	Codes/Criteria:				
4	12.5%	GradIPM	XI4a	XI4b	XI4c	XI4d	XI4e
7	21.9%	MIPM	TRUE	TRUE	TRUE	TRUE	TRUE
2	6.3%	FIPM					
2	6.3%	IID					
16	50.0%	Not HR related					
31		Total					
N.B: Of	32	Respondents	2	held multiple	and 2	held no professional qualifications	

Question 5 "Have you worked outside the HR function?"

Count		Percent	Answer	Codes/Criteria:					
				X15a	X15b	X15c	X15d	X15e	X15f
8	25.0%	Finance		TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
2	6.3%	Marketing							
9	28.1%	Operations							
0	0.0%	Corp. Strat.							
9	28.1%	Always HR							
4	12.5%	Other							
32	100.0%	Total							

Question 6 "Have you worked outside Financial Services before?"

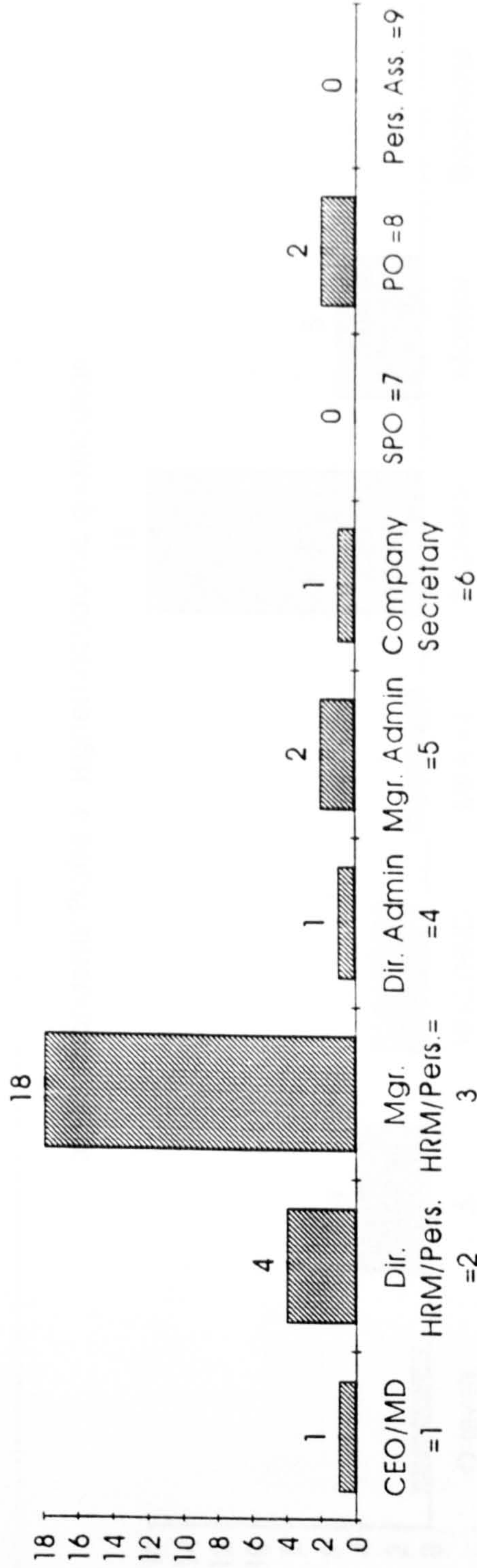
Count		Percent	Answer	Codes/Criteria:					
				X16a	X16b	X16c	X16d	X16e	X16f
6	18.8%	Manufacturing		TRUE	TRUE	TRUE	TRUE	TRUE	TRUE
3	9.4%	Retail/Wholesale							
4	12.5%	Civil Service							
0	0.0%	Mining							
12	37.5%	Always in FS							
7	21.9%	Other							
32	100.0%	Total							

Industry classification according to mailing label

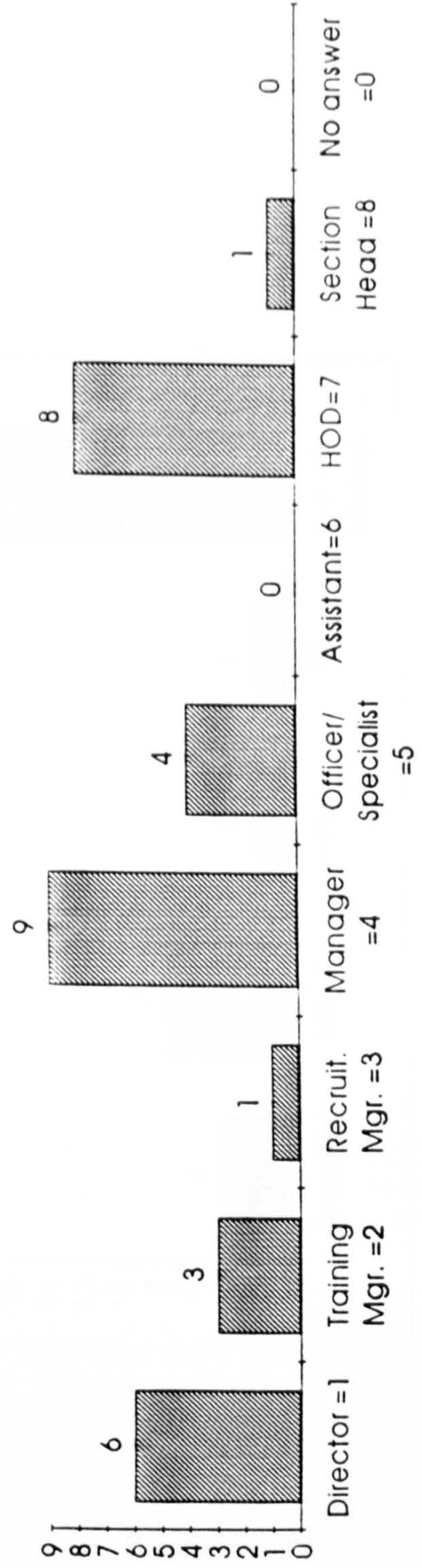
Count		Percent	Answer	Codes/Criteria:						
				Industry	Industry	Industry	Industry	Industry	Industry	Industry
14	43.8%	Insurance=1		1	2	3	4	5	6	7
4	12.5%	Fund Managers=2								
3	9.4%	Banks=3								
0	0.0%	Lawyers=4								
6	18.8%	Accountants=5								
2	6.3%	Support Services=6								
3	9.4%	Building Societies=7								
32	100.0%	Total								

SECT11.XLS

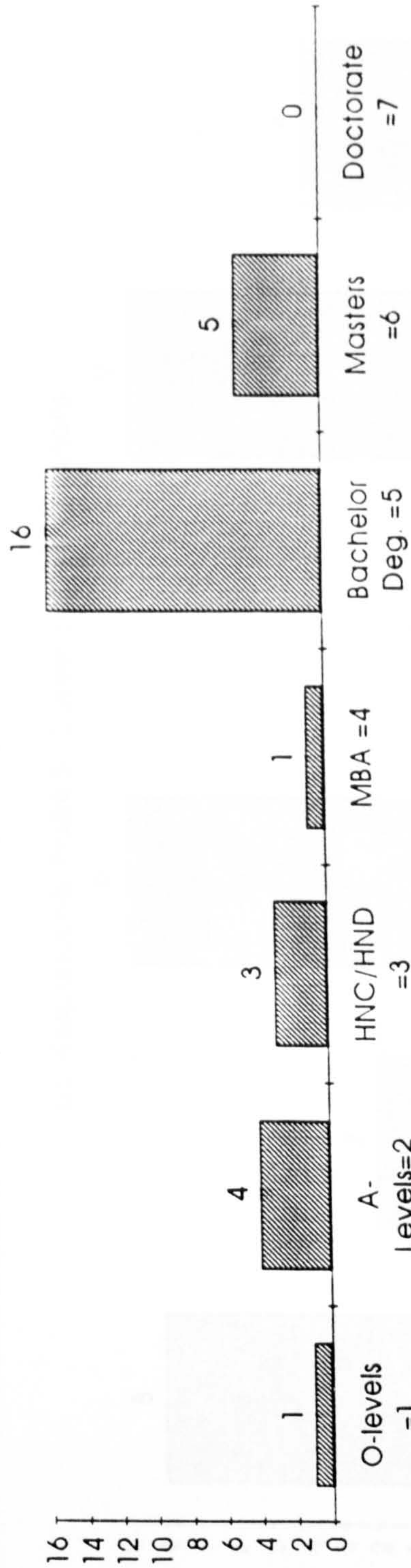
XI1. Respondents' Profile 1 -Job Title



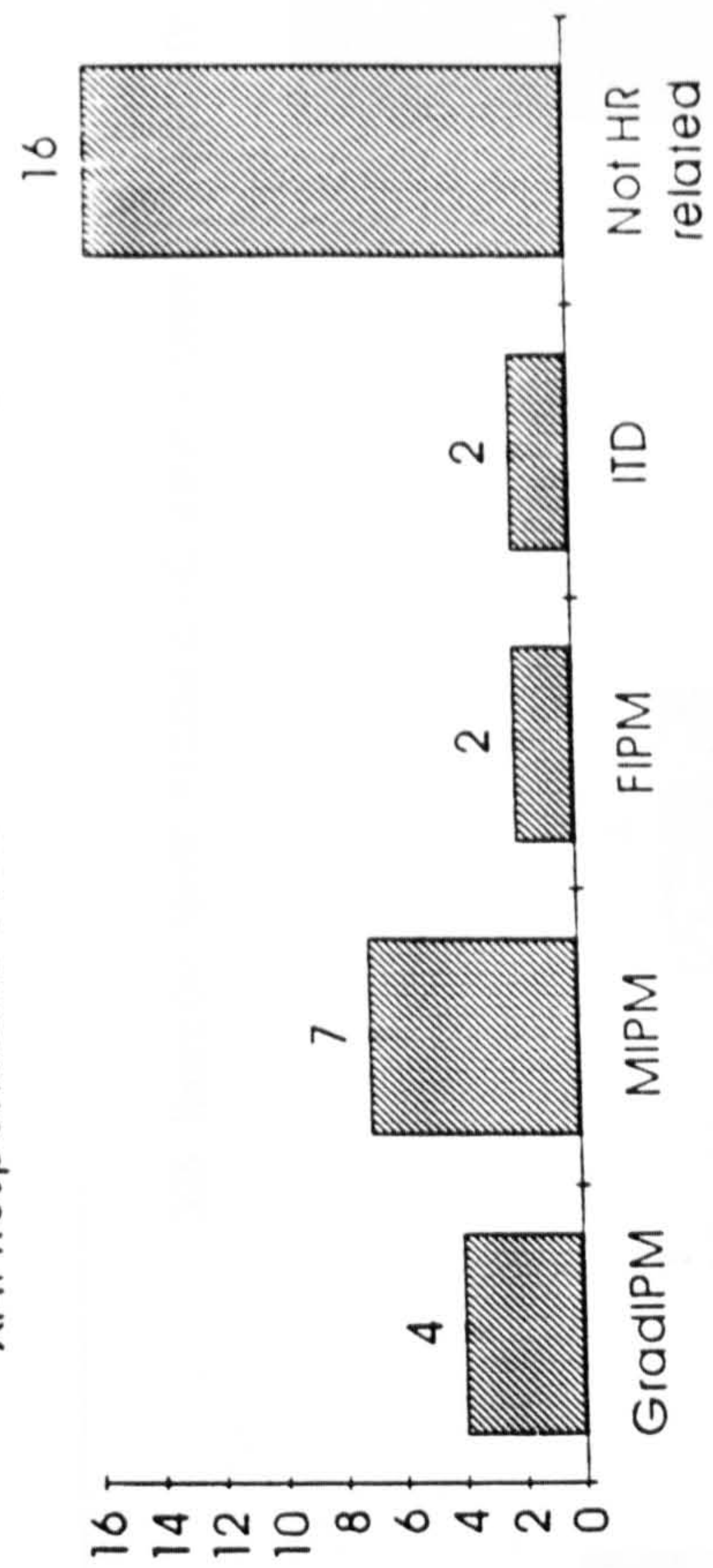
XI2. Respondents' Profile 2 -Function



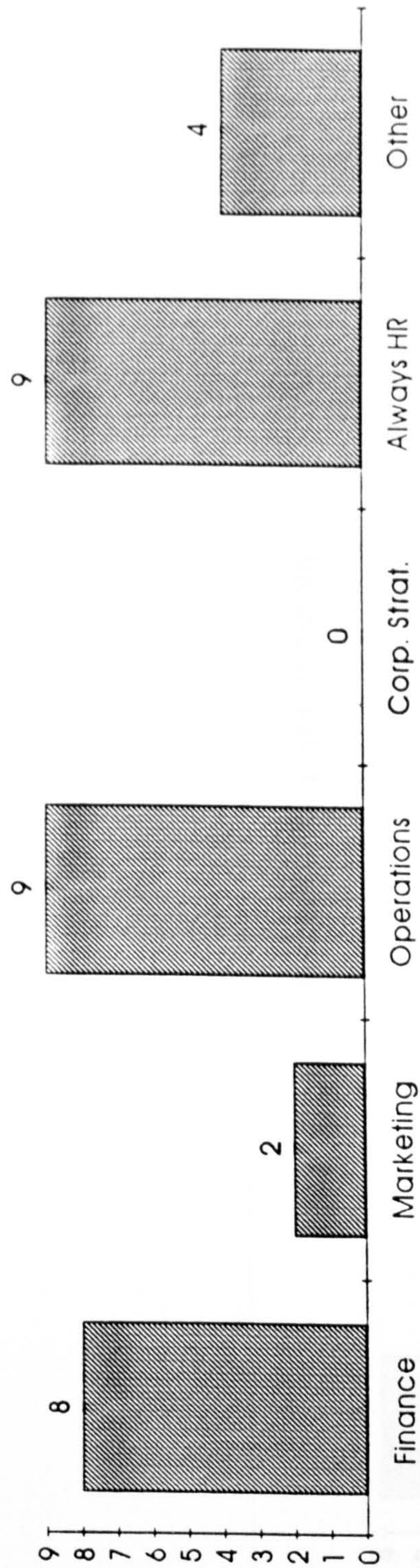
XI3. Respondents' Profile 3 - Highest academic qualification



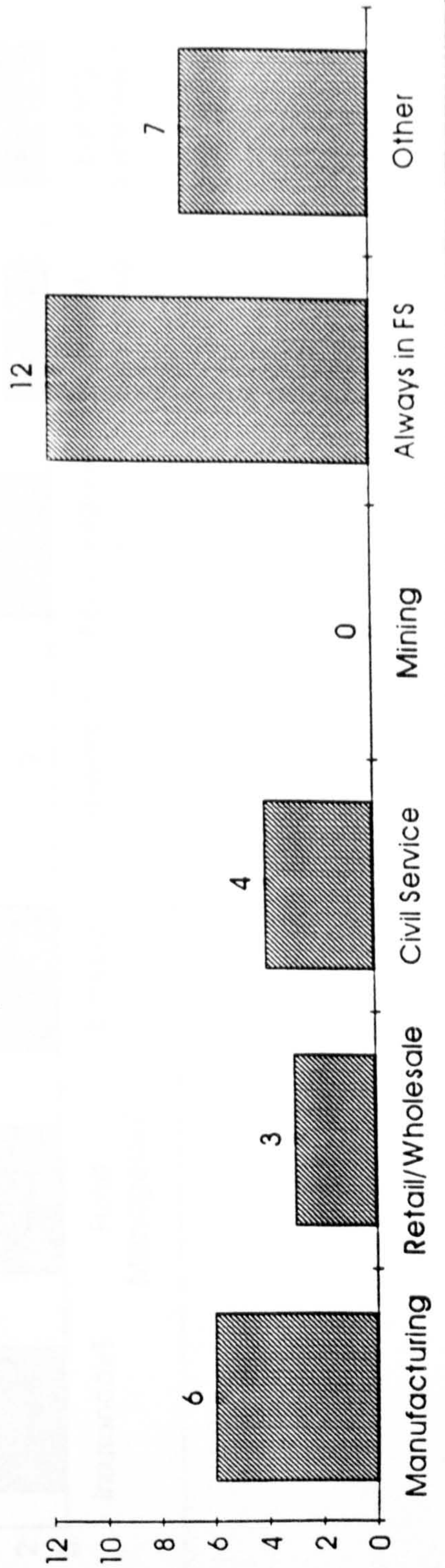
XI4. Respondents' Profile 4 - Professional qualification

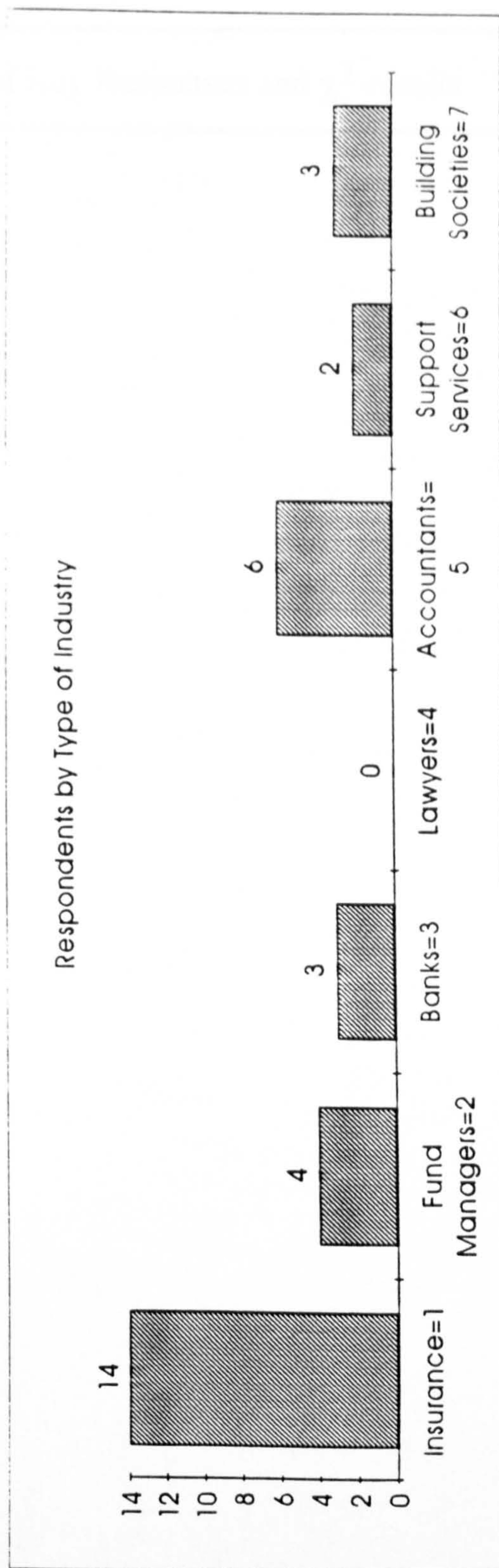


XI5. Respondents' Profile 5 - Career paths by positions



XI6. Respondents' Profile 6 - Career paths by Industry





APPENDIX 22

Tabulation of Key Responses and χ^2 -results

>USE 'D:\SYSTATW5\CHILARGE.SYS'
 VARIABLES IN SYSTAT RECT FILE ARE:

QUESTNUM	I1	I2A	I3A	II1
II3	IIIA1	IIIB1	IIIC1	IIID1
IIIE1	V2	V4	V5	VI1
VII1	VIII1	IX1	X1A	X2A
X3A	X5A	X5C	X6	X8
I4B	SIZE			

>PRINT LONG
 >TABULATE I1 I2A II1 II3 IIIA1 IIIB1 IIIC1 IIID1 IIIE1 * I3A/ FREQ ,
 >MISS SORT

SUN 4/12/94 11:57:44 D:\SYSTATW5\CHILARGE.SYS

TABLE OF I2A (ROWS) BY I3A (COLUMNS)
 FREQUENCIES

	1.000	2.000	TOTAL
1.000	3	2	5
2.000	9	12	21
4.000	0	1	1
5.000	3	0	3
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	4.629	3	0.201

TABLE OF II1 (ROWS) BY I3A (COLUMNS)
 FREQUENCIES

	1.000	2.000	TOTAL
1.000	13	11	24
2.000	1	0	1
3.000	1	4	5
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.967	2	0.227

TABLE OF II3 (ROWS) BY I3A (COLUMNS)
 FREQUENCIES

	1.000	2.000	TOTAL
1.000	0	2	2
2.000	8	4	12
3.000	2	1	3
4.000	4	4	8
TOTAL	14	11	25

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	3.355	3	0.340

TABLE OF IIIA1 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	6	8	14
2.000	9	7	16
TOTAL	15	15	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE	DF	PROB
0.536	1	0.464

TABLE OF IIIB1 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	9	9	18
2.000	6	6	12
TOTAL	15	15	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE	DF	PROB
0.000	1	1.000

TABLE OF IIIC1 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	8	6	14
2.000	7	9	16
TOTAL	15	15	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE	DF	PROB
0.536	1	0.464

TABLE OF IIID1 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	10	10	20
2.000	5	5	10
TOTAL	15	15	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE	DF	PROB
0.000	1	1.000

TABLE OF IIIE1 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	2	2	4
2.000	12	13	25

TOTAL	14	15	29
-------	----	----	----

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	0.006	1	0.941

```
>PRINT LONG
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>FREQ MISS SORT
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SUN 4/12/94 12:04:01 D:\SYSTATW5\CHILARGE.SYS
 TABLE OF V2 (ROWS) BY I3A (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	6	3	9
2.000	8	12	20
TOTAL	14	15	29

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	1.768	1	0.184

TABLE OF V4 (ROWS) BY I3A (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	2	0	2
2.000	13	15	28
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.143	1	0.143

TABLE OF V5 (ROWS) BY I3A (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	7	11	18
2.000	8	4	12
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.222	1	0.136

TABLE OF VI1 (ROWS) BY I3A (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	8	9	17
2.000	7	6	13
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	0.136	1	0.713

TABLE OF	VIII1	(ROWS) BY	I3A	(COLUMNS)
FREQUENCIES				

	1.000	2.000	TOTAL
1.000	13	13	26
2.000	2	2	4
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	0.000	1	1.000

TABLE OF	VIII1	(ROWS) BY	I3A	(COLUMNS)
FREQUENCIES				

	1.000	2.000	TOTAL
1.000	8	7	15
2.000	5	8	13
3.000	2	0	2
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.759	2	0.252

TABLE OF	IX1	(ROWS) BY	I3A	(COLUMNS)
FREQUENCIES				

	1.000	2.000	TOTAL
1.000	7	4	11
2.000	4	9	13
3.000	4	1	5
TOTAL	15	14	29

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	4.512	2	0.105

TABLE OF	X1A	(ROWS) BY	I3A	(COLUMNS)
FREQUENCIES				

	1.000	2.000	TOTAL
1.000	14	12	26
2.000	1	1	2
4.000	0	2	2
TOTAL	15	15	30

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.154	2	0.341

TABLE OF	X2A	(ROWS) BY	I3A	(COLUMNS)
FREQUENCIES				

	1.000	2.000	TOTAL
2.000	4	4	8
3.000	1	3	4
4.000	5	3	8
5.000	2	2	4
6.000	3	2	5
TOTAL	15	14	29

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE
1.668

DF
4

PROB
0.797

TABLE OF X3A (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	2	0	2
2.000	4	3	7
3.000	7	8	15
4.000	2	2	4
TOTAL	15	13	28

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE
2.077

DF
3

PROB
0.557

TABLE OF X5A (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	8	9	17
2.000	3	3	6
3.000	2	2	4
4.000	2	1	3
TOTAL	15	15	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE
0.392

DF
3

PROB
0.942

TABLE OF X5C (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	5	1	6
2.000	3	3	6
3.000	2	5	7
4.000	1	3	4
TOTAL	11	12	23

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE
4.918

DF
3

PROB
0.178

TABLE OF X6 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	3	5	8
2.000	4	3	7
3.000	2	2	4
4.000	2	1	3
6.000	1	1	2
TOTAL	12	12	24

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE
0.976

DF
4

PROB
0.913

TABLE OF X8 (ROWS) BY I3A (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	1	3	4
2.000	6	4	10
3.000	4	6	10
4.000	3	2	5
5.000	1	0	1
TOTAL	15	15	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE
3.000

DF
4

PROB
0.558


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>FREQ MISS SORT
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SUN 4/12/94 12:18:51 D:\SYSTATW5\CHILARGE.SYS
TABLE OF I1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	16	14	30
2.000	2	0	2
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 1.659 1 0.198

TABLE OF I2A (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	3	2	5
2.000	11	10	21
4.000	1	0	1
5.000	1	2	3
TOTAL	16	14	30

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 1.454 3 0.693

TABLE OF I3A (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	6	9	15
2.000	10	5	15
TOTAL	16	14	30

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 2.143 1 0.143

TABLE OF II1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	11	13	24
2.000	0	1	1
3.000	7	0	7
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 7.788 2 0.020

TABLE OF II3 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	1	1	2
2.000	6	6	12
3.000	1	2	3
4.000	3	5	8
TOTAL	11	14	25

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 0.480 3 0.923

TABLE OF IIIA1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	6	8	14
2.000	12	6	18
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 1.814 1 0.178

TABLE OF IIIB1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	9	9	18
2.000	9	5	14
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 0.653 1 0.419

TABLE OF IIIC1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	9	5	14
2.000	9	9	18
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 0.653 1 0.419

TABLE OF IIID1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	11	9	20

2.000	7	5	12
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 0.034 1 0.854

TABLE OF IIIE1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	2	2	4
2.000	16	11	27
TOTAL	18	13	31

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 0.123 1 0.726

>PRINT LONG

>TABULATE V2 V4 V5 VI1 VII1 VIII1 IX1 X1A X2A X3A X5A X5C X6 X8 * SIZE/ ,

>FREQ MISS SORT

SUN 4/12/94 12:25:33 D:\SYSTATW5\CHILARGE.SYS

TABLE OF V2 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	6	3	9
2.000	11	11	22
TOTAL	17	14	31

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 0.716 1 0.397

TABLE OF V4 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	0	2	2
2.000	18	12	30
TOTAL	18	14	32

TEST STATISTIC VALUE DF PROB
PEARSON CHI-SQUARE 2.743 1 0.098

TABLE OF V5 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	11	8	19
2.000	7	6	13
TOTAL	18	14	32

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	0.051	1	0.821

TABLE OF VI1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	9	8	17
2.000	9	6	15
TOTAL	18	14	32

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	0.161	1	0.688

TABLE OF VII1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	12	14	26
2.000	6	0	6
TOTAL	18	14	32

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	5.744	1	0.017

TABLE OF VIII1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	8	7	15
2.000	8	5	13
3.000	0	2	2
4.000	2	0	2
TOTAL	18	14	32

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	4.327	3	0.228

TABLE OF IX1 (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	7	4	11
2.000	9	5	14
3.000	1	5	6
TOTAL	17	14	31

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	4.378	2	0.112

TABLE OF X1A (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	13	14	27
2.000	3	0	3
4.000	2	0	2
TOTAL	18	14	32

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE 4.609 DF 2 PROB 0.100

TABLE OF X2A (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
2.000	6	3	9
3.000	4	0	4
4.000	3	5	8
5.000	2	2	4
6.000	2	4	6
TOTAL	17	14	31

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE 5.932 DF 4 PROB 0.204

TABLE OF X3A (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	0	2	2
2.000	6	1	7
3.000	6	9	15
4.000	3	2	5
5.000	1	0	1
TOTAL	16	14	30

TEST STATISTIC
PEARSON CHI-SQUARE

VALUE 7.270 DF 4 PROB 0.122

TABLE OF X5A (ROWS) BY SIZE (COLUMNS)

FREQUENCIES

	1.000	2.000	TOTAL
1.000	9	8	17
2.000	3	3	6
3.000	5	1	6

4.000	1	2	3
TOTAL	18	14	32

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.599	3	0.458

TABLE OF X5C (ROWS) BY SIZE (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	4	2	6
2.000	4	2	6
3.000	3	4	7
4.000	1	3	4
TOTAL	12	11	23

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	2.437	3	0.487

TABLE OF X6 (ROWS) BY SIZE (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	5	3	8
2.000	4	3	7
3.000	3	1	4
4.000	0	3	3
6.000	0	2	2
TOTAL	12	12	24

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	6.643	4	0.156

TABLE OF X8 (ROWS) BY SIZE (COLUMNS)
FREQUENCIES

	1.000	2.000	TOTAL
1.000	4	2	6
2.000	5	5	10
3.000	5	5	10
4.000	3	2	5
5.000	1	0	1
TOTAL	18	14	32

TEST STATISTIC	VALUE	DF	PROB
PEARSON CHI-SQUARE	1.388	4	0.846

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