



IMPROVING
HUMAN
PERFORMANCE
SERIES

Series Editor: Jack J. Phillips, Ph.D.

Accountability in Human Resource Management
Jack J. Phillips

Achieving the Perfect Fit

Nick Boulter, Murray Dalziel, Ph.D., and Jackie Hill, Editors

Bottom-Line Training
Donald J. Ford

**Corporate Performance Management: How to Build a Better Organization
Through Management-Driven Strategic Alignment**
David Wade and Ronald Recardo

Developing Supervisors and Team Leaders
Donald L. Kirkpatrick

The Global Advantage
Michael J. Marquardt

Handbook of Training Evaluation and Measurement Methods, 3rd Edition
Jack J. Phillips

Human Performance Consulting
James S. Pepitone

Human Performance Improvement
William J. Rothwell, Carolyn K. Hohné, and Stephen B. King

The Human Resources Scorecard: Measuring the Return on Investment
Jack J. Phillips, Patricia Pulliam Phillips, and Ron D. Stone

HR to the Rescue
Edward M. Mone and Manuel London

HRD Survival Skills
Jessica Levant

HRD Trends Worldwide
Jack J. Phillips

Learning in Chaos
James Hite, Jr.

Managing Change Effectively: Approaches, Methods, and Case Examples
Donald L. Kirkpatrick

The Power of 360° Feedback
David A. Waldman and Leanne E. Atwater

Return on Investment in Training and Performance Improvement Programs
Jack J. Phillips

Technology-Based Training
Serge Ravet and Maureen Layte

ACCOUNTABILITY IN HUMAN RESOURCE MANAGEMENT

...

JACK J. PHILLIPS



INTERNATIONAL
BUSINESS
COUNCIL
OF AMERICA

BUTTERWORTH
HEINEMANN

ACCOUNTABILITY IN HUMAN RESOURCE MANAGEMENT

Copyright © 1999 by Butterworth-Heinemann. All rights reserved. Printed in the United States of America. This book, or parts thereof, may not be reproduced in any form without permission of the publisher.

Originally published by Gulf Publishing Company,
Houston, TX.

10 9 8 7 6 5 4

For information, please contact:

Manager of Special Sales

Butterworth-Heinemann

225 Wildwood Avenue

Woburn, MA 01801-2041

Tel: 781-904-2500

Fax: 781-904-2620

For information on all Butterworth-Heinemann publications
available, contact our World Wide Web home page at:

<http://www.bh.com>

Library of Congress Cataloging-in-Publication Data

Phillips, Jack J., 1945–

Accountability in human resource management / Jack J. Phillips.

p. cm.

Includes bibliographical references and index.

ISBN 0-88415-396-7

1. Personnel management—Evaluation. I. Title.

HF5549.P4588 1996

658.3—dc20

95-42091

CIP

Transferred to Digital Printing 2007

Dedicated to my daughter, Jackie,
who grew up during the development of this book.

This page intentionally left blank

Contents

Acknowledgment	xi
Preface	xiii

PART ONE

General Framework for Evaluation

CHAPTER ONE

The Need for a Results-Based Approach	1
Important Trends Related to HR Contribution 5, The Importance of These Trends 21, Challenges 21, Paradigm Shifts 22, Conclusion: Payoff of Measuring the HR Contribution 24, A Self-Assessment Tool 25, References 29	

CHAPTER TWO

Measuring the HR Contribution: A Survey of Approaches	33
Surveys 34, HR Reputation 35, Human Resources Accounting 36, HR Auditing 37, HR Case Studies 38, HR Cost Monitoring 39, Competitive Benchmarking 40, Key Indicators 41, HR Effectiveness Index 42, HR Management by Objectives 45, HR Profit Centers 45, Return on Investment 46, Summary 46, References 48	

PART TWO

Developing a Results-based Approach

CHAPTER THREE

Developing a Results-Based Approach and a New Model _____ 51

The Opportunity to Influence Results 52, Purposes of Measurement and Evaluation 53, HR Evaluation Myths 54, Obstacles to Measuring the Contribution 58, Levels of Evaluation 60, The Attitude of the HR Team 62, Sharing Responsibilities for HR Measurement and Evaluation 62, A Results-Based Model for Program Implementation 63, An Application of the Model 73, References 76

CHAPTER FOUR

Management Influence on HR Results _____ 78

Partnership Relationships 80, Top Management Commitment 83, Management Support and Reinforcement 88, Management Involvement 93, Focusing on Results with Managers 100, Roles, Responsibilities, Risks, and Rewards 101, Improving Relationships with Managers 104, Summary 108, References 109

PART THREE

Measuring the Contribution of Human Resources

CHAPTER FIVE

Data Collection Techniques _____ 110

Data Collection Considerations 110, Questionnaires 121, Surveys 124, Tests 128, Interviews 131, Focus Groups 134, Observations 137, Organizational Performance Data 140, Summary 143, References 143

CHAPTER SIX

Evaluation Design and Implementation _____ 147

Evaluation Design Issues 147, Common Evaluation Designs 150, Participant Feedback 156, Feedback from Others 160, Participant Follow-Up 162, Action Planning 166, Performance Contracting 169, Summary 172, References 173

CHAPTER SEVEN

Measuring the Total Human Resources Effort _____ 174

Measurement Issues 174, The HR Contribution Model 176, HR Performance Measures 177, Organizational Effectiveness Measures 183, Developing the Human Resources Effectiveness Index 186, References 201

CHAPTER EIGHT

Measuring Specific Human Resources Functions _____ **202**

Recruitment and Selection 203, Human Resources Development 209, Compensation 216, Fair Employment Practices 219, Employee and Labor Relations 221, Safety and Health 224, Human Resource Information Systems 226, Conclusion 227, References 228

CHAPTER NINE

Using Benchmarking to Measure HR Effectiveness _____ **229**

A Strategic Evaluation Tool 229, Phases of the Benchmarking Process 230, Participating in Existing Benchmarking Projects 245, Conclusion: Marking the Process Work 247, References 249

PART FOUR

Data Analysis and Presentation

CHAPTER TEN

Human Resources Costs _____ **250**

Developing Costs 250, Employee Costs 255, HR Program Costs 257, Impact Costs 267, Summary 269, References 269

CHAPTER ELEVEN

Data Analysis and Interpretation _____ **271**

Isolating the Effects of the HR Program 272, Converting Data to Monetary Units 280, Data Analysis Techniques 287, Calculating the Return 298, Additional Methods for Evaluating Investments 302, A Few Words of Caution 304, Summary 305, References 305

CHAPTER TWELVE

Communication of HR Program Results _____ **307**

The Process of Communicating Results 308, Communicating with Target Audiences 309, Communicating with Top Management 312, Developing the Evaluation Report 314, Management Meetings 316, HR Newsletters 318, The General Interest Publication 318, Brochures/Booklets/Pamphlets 321, Success Stories 322, Summary 323, References 324

APPENDIX ONE
How Results-Based Are Your Human Resources Programs? Scoring
and Interpretation_____325

APPENDIX TWO
CEO: Check Your Commitment to the Human Resources Function _____330

APPENDIX THREE
Feedback Questionnaire for HR Program _____331

APPENDIX FOUR
Performance Improvement Plan _____336

Index_____338

Acknowledgment

No book represents the work of the author alone. Many people contribute to the final product, and this book is no exception. Many colleagues have shared their ideas, which have been refined and developed and ultimately presented here. Over the years, many colleagues who are human resource managers and executives have shared their thoughts on this important topic. To all of them, I owe much appreciation for their contribution. I would like to thank Ken Lowery for reviewing the manuscript and offering suggestions. Ken is a very professional human resources manager who understands the need for a results-based approach.

Several individuals made direct contribution to this work. Through the years, I have worked closely with Jac Fitz-enz of the Saratoga Institute. Throughout his career, Jac has made a tremendous contribution to the measurement and evaluation process. The Saratoga Institute conducted one of the studies designed especially for this book. For their efforts and assistance, I owe them many thanks. To Dr. Anson Seers, at the University of Alabama, I owe much gratitude. He encouraged me to pursue a major research project on the development of a human resources effectiveness index. He was helpful, supportive, and encouraging throughout the entire project. He is truly an excellent researcher, scholar, and professor who understands the HR function and knows how to bring closure to projects.

Many thanks to my assistant Tammy Bush, who has been very helpful, creative, and resourceful as this book developed over the course of several years. Without her persistence, this book would still be under development. To the professional team at Gulf Publishing Company: thanks for the support. BJ Lowe and Joyce Alff were very patient with me as I took too much time to develop this book.

This page intentionally left blank

Preface

FOCUS OF THE BOOK

The initial research and development for this book began in the '80s. I examined hundreds of studies, surveys, and interviews to identify the most effective practices and processes to show the human resources (HR) contribution. The lengthy development process allowed me to apply new techniques and models within operations and analyze them for effectiveness before including them in the book. Two major studies were initiated specifically for this book and their results are reported in several chapters. After a decade of development, this significant work should be a valuable contribution to the field.

I have been fortunate to tackle HR measurement and evaluation from several perspectives. First and most importantly, as a human resource executive for many years, I struggled directly with the issue of accountability and attempted to bring a bottom-line focus to the human resources function. Second, as a top executive in a major financial institution, I viewed human resources from a completely different perspective, as a user of the services. Third, as an experienced author and researcher, I explored, examined, and reported on this topic for several years. Using available research, I attempted to show human resources practitioners the best practices. Finally, as a consultant, I have been fortunate to work with a variety of organizations to help them improve the contribution of the human resources function.

From these perspectives, several impressions begin to emerge about the HR profession, all underscoring the need for increased accountability of the HR function. Collectively, these perspectives provided a unique vantage point from which to write this book. The final product should be a valuable contribution to help human resources managers tackle this important issue.

IMPORTANCE OF MEASURING THE CONTRIBUTION

The evidence is very clear: the human resources function in organizations is continuing to grow in importance and influence. Among the reasons for the increasing influence are:

- Growing budgets that make human resources the greatest single expenditure in most organizations.
- The consequences of improper and ineffective human resource practices.
- The vast potential for using human resources to enhance productivity, improve quality, spur innovation, contain costs, and satisfy customers.
- The integration of human resources into the mainstream functions in the organization.

With this high-profile posturing, all HR executives are faced with an important challenge: A need exists to ensure that the function is managed appropriately and that programs are subjected to a system of accountability. In short, there must be some way to measure the contribution of human resources so that viable existing programs are managed appropriately, new programs are only approved where there is potential return, and marginal or ineffective programs are revised or eliminated altogether.

Among the hottest issues in the human resources field are the subjects of ensuring accountability, calculating the return on investment, developing a value-added approach, and making a bottom-line contribution. When any of these topics are discussed, they attract attention. Why? Because there is now more pressure to show this contribution than ever before. The pressure comes from top executives who demand accountability for the tremendous investment in human resources. Key operating managers also ask the HR function to help them get results by building a more productive and effective organization. Finally, today's progressive human resources managers are business managers first and professional HR managers second. They recognize that they must contribute to the organization in real terms and in ways that executives fully understand—bottom-line impact.

While this trend toward HR accountability is highly visible and significant, many HR professionals are still reluctant to accept this responsibility and meet the demands of accountability. They often contend that measurement and evaluation systems are too difficult and costly, and in some cases, impossible. In reality, a measurement and evaluation system can be simplified and implemented with little cost. It requires upfront planning, some additional tasks, and more importantly, a change in philosophy and attitude of not only the human resources staff, but of those it serves.

TARGET AUDIENCE

The primary target audience for this book is practicing human resource professionals. The book equips HR professionals with the tools necessary to show the contribution of programs. Presented in a systematic format, from a practical viewpoint with many examples and illustrations, it is based on actual experiences, accepted practices, and a strong research base. Each technique and idea has been tested and proven in actual practice.

A second target audience is students of human resources management who are preparing for assignments in this important field. This book will help them develop a results-based approach to the study of human resources practices in organizations. It also provides the tools necessary for job success in the HR field.

A third target audience is middle and top level managers who want to know more about how human resources can contribute to the bottom line of the organization. It shows managers how to help the HR staff become results-based contributors to the organization.

STRUCTURE OF THE BOOK

The book is divided into four parts. Part One (Chapters 1–2) presents a general framework for evaluating the human resources function. Chapter One explains the need for a results-based approach, and it is included to convince those individuals who do not yet fully embrace the concept. It shows important trends and challenges and opportunities that exist when measuring the return on investment. Chapter Two focuses on the approaches, outlining 13 different ways organizations now use to measure the HR contribution. Each is presented with a brief assessment of its usefulness. It is from this list that specific approaches are identified for expanded coverage in other chapters.

Part Two (Chapters 3–4) presents the issues involved in developing a results-based approach to human resources. Chapter Three describes a nine-step result-based model to implement a new HR program. It discusses a variety of fundamen-

tal concepts and issues, including the purposes of evaluation, the myths of evaluation, the levels of evaluation, the various obstacles to evaluation, and the responsibilities of evaluation. The attitude of the staff is also explored because it is so critical to the success of the effort. The chapter ends with an application of the model. Chapter Four highlights the important role of management in the success of the human resource contribution. It addresses specific strategies to strengthen relationships with key managers. Techniques for improving management commitment, support, and reinforcement for programs are fully explored, along with specific ways to get managers more involved in human resources function.

Part Three (Chapters 5–9) is the heart of the book and focuses on specific ways to measure the contribution of human resources. Chapter Five presents data collection techniques using surveys, questionnaires, interviews, focus groups, observations, and performance data, which can be used in various combinations to collect the data necessary to measure the contribution. Chapter Six explores evaluation design and implementation issues. Common designs are presented along with techniques to obtain feedback on human resources programs and activities. Useful techniques for measuring improvement are outlined, including action planning and performance contracting. Chapter Seven presents ways in which the total human resources effort can be measured and highlights five important measures that collectively should determine much of the success of human resources. This chapter presents an important study, with a useful model that details how these measures can be combined to form an HR effectiveness index. Chapter Eight presents measures from each specific human resources functional unit. More than 100 measures are presented in this chapter. Finally, Chapter Nine discusses benchmarking as a way to measure HR effectiveness and compare it with other organizations. The various phases of benchmarking are presented, showing step-by-step how an organization can develop its own benchmarking survey.

Part Four (Chapters 10–12) explores data analysis and presentation of results. Chapter Ten reports on human resources costs and shows the various ways in which costs can be monitored and used to measure the contribution. The impact costs of human resources are explored as important variables closely related to human resources practices. Chapter Eleven explains data analysis and data interpretation and shows how the influence of the HR program is isolated from other factors. It discusses various ways to convert data to monetary units to include the actual calculation of the return on investment. Chapter 12 discusses communication of HR program results to demonstrate how the successes of HR contribute to the organization.

Appendices provide additional information and examples of tools and techniques used in the chapters. Overall, each chapter is self-contained, although some

chapters build on information presented earlier. It is not necessary to read the book in sequence. The reader may absorb only the chapters of particular interest.

WHAT THIS BOOK WILL DO FOR YOU

This book explores the key issues of human resources measurement and evaluation. After completing the book, the reader should know how to:

- Assess the current status of measuring the HR contribution in the organization
- Explain the importance of and necessity for measuring the contribution
- Identify the various approaches that can be used to measure the contribution
- Develop programs with an emphasis on accountability
- Establish a results-based approach when implementing HR programs
- Design data collection instruments and techniques for measurement and evaluation
- Improve management commitment and support for the HR function
- Build partnership relationships with key managers
- Select the optimum evaluation strategy for the organization
- Determine the costs of HR programs
- Isolate the effects of HR programs from other variables
- Convert HR program data to monetary values
- Calculate the return on investment in HR programs
- Communicate the results of HR programs

In summary, this is the first book to communicate concise, practical methods to evaluate any type of HR program. With its systematic process, ranging from developing the framework for evaluation to communicating the results, this book is designed to be a standard reference on measurement and evaluation for every HR professional.

Jack J. Phillips
P.O. Box 380637
Birmingham, Alabama 35238-0637
serieseditor@aol.com

This page intentionally left blank

CHAPTER ONE

The Need for a Results-Based Approach

During the last decade, the Human Resources (HR) function experienced drastic change in its role, status, and influence. Some HR executives recognized the change and stepped up to the challenge. A panel of top-level Human Resources executives recently assembled by *Personnel Journal* agreed that "HR is moving away from the transactional, paper-pushing, hiring/firing support function it has been and is becoming a bottom-line business decision maker."¹ Indeed HR is becoming a strategic business partner. But how does HR become more involved in business decisions? How does this affect the day-to-day role of HR?

A sample of the comments from panel members revealed details of this trend. "Being a strategic partner means understanding the business direction of the company, including what the product is, what it's capable of doing, who the typical customers are and how the company is positioned competitively in the marketplace," explains Tim Harris, senior vice president of HR for Novell Inc. in San Jose, California.

Tim Epps, vice president of People Systems for Saturn Corp., in Troy, Michigan, adds, "HR must become bottom-line valid. It must demonstrate its validity to the business, its ability to accomplish business objectives and its ability to speak of accomplishments in business language. The HR function must perform in a measurable and accountable way for the business to reach its objectives."

The ways in which HR becomes “bottom-line” vary depending on a company’s strategic objectives. Generally speaking, traditional HR responsibilities, such as training, compensation and performance management, are linked to tangible business goals and measuring the contribution to those goals. John McMahon, corporate vice president of HR for Stride Rite Corp. in Cambridge, Massachusetts, explains that his company has developed an HR strategic plan that details the HR implications of each of the company’s overall business goals.

What makes this strategic HR role possible in many companies is the HR department’s shift from being a doer to an enabler, from being a staff function that delivers prepackaged HR services to the rest of the company to being a service that helps line managers create and manage their own customized HR policies.

That’s what has taken place at Dallas-based Texas Instruments Inc. “My job early on was to make people happy . . . to worry about training, pay and benefits, communication and employee satisfaction,” says Chuck Nielson, vice president of HR, who has been with TI since 1965. “But when we viewed our role in HR as keeping people happy, we found ourselves on a separate track from operating managers who were concerned with such things as yield, billing, scrap and other hard business issues. Operating people weren’t supposed to spend any time on personnel—it detracted from their “real” jobs. Today, one of the most dramatic changes in our company is that HR folks are in partnership with the operating managers.

There is no doubt that the HR field is in the midst of this change, yet few HR managers are equipped to deal with it. Perhaps the situation is best described in a recent article on accountability:

Sooner or later it all boils down to money. Human resource executives can grapple with such issues as rising health care costs, a widening skills gap, an increasingly diverse work force, the conflicting demands of work and family, and government regulation, and can develop responses to each. Ultimately, however, every idea—however innovative, farsighted and workable it may seem—must undergo the scrutiny of some tough questions: “Where will we get the money to pay for it? Will we see a return on investment? And perhaps the two most fundamental questions, Can we afford to do it? And its corollary, Can we afford not to do it?”²

Because human resources represents a significant cost to the organization, the effectiveness of the function can influence the overall success or failure of the organization. Indeed, some organizations have failed because of ineffective HR policies. For example, many experts agree that much of the Eastern Airlines failure can be pinned on ineffective employee relations practices. The decline of the U.S. steel industry is blamed, in part, to costly employee and labor relations policies. A contributing factor to the recent problems of IBM, General Motors, and

Sears are their HR policies that left these three organizations saddled with tremendous human resources costs.

In perhaps its largest gesture of big spending, GM capitulated repeatedly to the United Auto Workers, thereby burdening itself with enormous wage and benefit costs. One kind of cost, health benefits for retirees that were to be paid in the future, was for many years invisible because accounting rules did not require it to be recorded as current expense.³ In 1992, the new accounting rules brought the retiree health benefit problem into perspective, and GM took a monumental charge of \$33 billion in pre-tax costs. This charge left GM with a loss for 1992 of \$23.5 billion, far and away the largest loss of a Fortune 500 company in U.S. business history.

For years, IBM has been trying to come up with innovative ways to get their employees to leave. Through a variety of incentive packages and finally shelving of its no-layoff policy, IBM is taking huge hits for employee costs. The layoff policy, which seemed to be one of the cornerstones of IBM's success, became one of the problems in trying to remain profitable.⁴ Other examples are abundant throughout business in which human resources costs make organizations unprofitable and very uncompetitive in today's global economy.

Because they expect an adequate return on their investment in human, as well as other resources, some executives question whether the HR department should continue to expand if there is not a clear connection between its activities and the overall results of the organization. One chief financial officer of a Fortune 100 company was quoted as saying to his company's director of human resources: "I invest in human resource planning programs the way I invest in a machine tool. If you can't show me an ROI equal to this firm's cost of capital, I'm not buying and your budget is going to be cut."⁵ This blunt demand is becoming typical of the new bottom-line orientation to human resource management that now dominates most major corporations.

On the positive side, the success of many outstanding companies today, such as 3M, Procter & Gamble, Motorola, Federal Express, Merck, and Coca-Cola, can be traced to effective HR policies. Chief executives, striving to improve productivity and achieve performance goals, are demanding—and getting—cost-effective and productive approaches from their HR function. At America's top organizations, chief executives are recognizing the link between the people and the bottom line. Faced with issues as diverse as re-engineering, executive succession, and government regulation, they see how important employee relations can be to competitiveness.⁶ The literature is laced with hundreds of examples of organizations making a tremendous contribution with the human resource function. HR departments are taking significant strides in reducing costs, enhancing customer service, improving profits, and boosting productivity. They accomplish this through a rigorous program of accountability for the function, and at the heart

of accountability is measurement and evaluation. An important tenet of continuous process improvement (CPI) is *nothing improves until it is measured*. The CPI corollary is that when something is measured, it automatically begins to improve. This phenomenon is put into practice and is paying off in handsome dividends.⁷

The Human Resources department is, in effect, a function charged with advising and directing management on the investment of its human assets. Though it has traditionally been viewed as an expense center, its efforts can have significant impact on productivity and profits. The magnitude of employee costs alone should command the attention of top executives. For example, Texas Instruments, a high tech electronics firm with 65,000 employees worldwide, calculates its employee costs at 55 percent of operating costs. Even in capital intensive organizations where employee costs are relatively low, the long-term investment in employees is significant. For example, consider the investment in an employee for the total length of employment based on reasonable assumptions about expected duration of employment, anticipated salary increases, and expected increases in benefit costs. When the initial salary is adjusted upward to reflect predicted salary and benefit increases, the investment in an employee quickly becomes staggering. A major study conducted in the Upjohn Company revealed that the average cost of an employee over the full length of employment was 160 times the initial starting salary. For example, a \$25,000 starting salary would result in a \$4-million investment for a 30-year duration of employment.⁸ When discounted to today's values, the figure is over a million dollars. Thus, a decision to hire an employee could be viewed as a million-dollar decision if the employee remains with the organization for 30 years. Although this may be exaggeration, the point is crystal clear: HR decisions are expensive. With this perspective, it seems logical that an organization should maximize the effectiveness of human resources and ensure that employees are properly selected, trained, and supported, and are always producing at optimum performance levels.

Another view of this issue is to consider the consequences of incorrect decisions on human resources issues. Improper decisions, based on subjective data, can result in serious consequences for the organization, possibly reducing its profitability or, in some cases, even leading to serious losses or bankruptcy. For example, a disastrous communications breakdown in New York City caused by AT&T was traced to a shortage of one or two technicians in a critical area. The technicians had been dispatched to attend a training program. Sears Roebuck and Company faced a significant decline in its auto repair business after allegations of widespread fraudulent behavior in several shops became public. Sears blamed an improperly designed incentive compensation plan.⁹ HR decisions must be based on all the objective data that can be assimilated on an economical basis.

Unfortunately, a results-based approach is far from common practice in HR departments. One estimate is that 60 to 70 percent of HR departments are not

using any method to measure their effectiveness.¹⁰ While there are several obstacles to introducing measurement and evaluation of HR functions, in many cases HR professionals do not know how to measure the results of their efforts. Measurement and evaluation is not usually a part of their professional preparation. In other cases, managers do not want to be measured, living in the echoes of the past when it was generally accepted that the function was subjective and difficult to measure. Also, top management has not always demanded measurable results from HR. Without top management encouragement, many departments have not vigorously pursued quantitative evaluation.

The pressure to remain competitive in a dynamic, international economy has forced some organizations to develop a results-based approach. For these organizations to remain competitive in today's economy, they must have innovative products and services, excellent quality control and customer service, and efficient operations and delivery systems. This can only be accomplished through proper investment in HR programs designed to recruit quality employees, train them adequately, and keep them involved, challenged, and motivated.

This book focuses on the process of, and the techniques for, measuring the contribution of the HR function. It demonstrates methods to determine whether the investment in human resources produces a return. This initial chapter provides the foundation by reviewing the basic principles of the HR contribution.

IMPORTANT TRENDS RELATED TO HR CONTRIBUTION

Emerging trends, issues, and priorities of the HR function are getting their share of attention. Peter Drucker predicted these changes in *The Wall Street Journal* over ten years ago when he asserted that the personnel department, in addition to changing its name to human resources, must behave quite differently and follow the line mode of behavior rather than the staff mode. Line managers are involved in producing, distributing, or selling the organization's products or services and are concerned about output, quantity, and cost. Staff employees provide support and assistance and are often less concerned about these issues. According to Drucker, "Above all, the personnel department would have to redirect itself away from concern with the cost of employees to concern with their yield."¹¹ This important concept has had and will continue to have a major influence on organizations. HR executives can help shape the future direction of their organizations by focusing on specific strategies to implement the changes suggested by Drucker.

From recent articles, reports, books, and interviews on the subject, seven trends can be identified that have a significant impact on an organization's bottom-line results and the HR function's role in the process. These trends include the

increased importance of the HR function, increased accountability, organizational change and quality programs, improvement in productivity, adoption of human resources strategies, growing use of human resources' information systems, and reliance on partnership relationships. Collectively these trends enhance or complement the efforts of the HR department to monitor and improve its contribution to organizational performance.

Increased Importance of the HR Function

The importance of the HR function and its connection to the bottom line is sometimes subtle, occasionally mysterious, and at times very convincing. Above all, it seems to be well publicized. Probably the most publicized reports come from the popular press's treatment of the importance of HR practices in organizations. List after list appears for the most profitable, fastest growing, most admired, and best managed companies in America. Among the lists are *Fortune* magazine's annual list of most admired companies, *Business Week*'s annual list of America's most competitive companies, *Inc.* magazine's list of the best small companies to work for in America, and other publications such as *The 100 Best Companies to Work for in America*.¹² The basis for many of these lists is often the HR practices of these organizations. Even a magazine not known for its admiration of business, *Mother Jones*, has developed its own list. Among the issues examined were such variables as the workplace, treatment of employees, and the degree of company ownership.

Top executives' attitudes about the importance of the HR function have a significant impact on an organization's bottom line. In a major study involving top U.S. businesses, executives were asked about the critical competitive issues facing U.S. companies and their suggestions for strengthening U.S. business competitiveness. The study clearly showed that top executives believe that internal management and human resources improvements are the best ways to improve the quality of U.S. goods and services and to make them more competitive in the world market.¹³ This viewpoint was particularly underscored by larger organizations.

The importance of HR is recognized in many ways. Probably no recognition has been more meaningful than the awards given by *Personnel Journal*, a practitioner publication serving the human resources field. The Optimas awards, with ten categories, were created in 1991 to recognize the importance of HR and its value to the organization. Table 1-1 presents the winners for the 1995 awards and shows the range of the awards and types of programs. The 1995 award winners share two things in common: They are all important participants in the corporate decision-making process, and they all contribute to the organization's bottom line. Overall, the awards show the importance of the function and its contribution to organizations.¹⁴ It is interesting to note that the general excellence award was

won by the City of Hampton, Virginia. Previous award winners in this category include First Chicago Corporation, Levis-Strauss & Co., Hewlett Packard Co., and AT&T Corporation. Hampton has been working diligently implementing a variety of value-added and high-impact programs similar to those used in the cor-

TABLE 1-1
PERSONNEL JOURNAL OPTIMAS AWARD

AWARD CATEGORY	1995 WINNER	BASIS FOR AWARD
General Excellence	City of Hampton, Virginia	A public deployment of corporate tactics
Competitive Advantage	Mirage Resorts, Inc.	Selective staffing and commitment to training gives Mirage Resorts a competitive edge
Financial Impact	Springfield Remanufacturing Corp.	Springfield Remanufacturing turns financial training into a game and workers into entrepreneurs
Global Outlook	Colgate-Palmolive Co.	Out of a year-long strategy-development process came a global HR system linked to business goals
Innovation	Hotel del Coronado San Diego, CA	To cover Mexican workers' dependents, Hotel del Coronado established the first Mexican HMO
Managing Change	The Seattle Times Co.	Diversity training and content audits help keep <i>The Seattle Times</i> current with its community
Partnership	Intel Corp.	Intel teaches an Arizona school quality management principles in exchange for educational involvement
Quality of Life	Calvert Group	Benefits programs at this investment firm address social responsibility as well as individual needs

(continued on next page)

TABLE 1-1 (CONTINUED)
PERSONNEL JOURNAL OPTIMAS AWARD

AWARD CATEGORY	1995 WINNER	BASIS FOR AWARD
Service	PepsiCo, Inc.	A stock-option program for all full-time employees supports this firm's entrepreneurial culture
Vision	Minnesota Mining and Manufacturing Co. (3M)	A decade-old strategy has helped 3M prevent downsizing while continuing to recruit new talent

Source: Halcrow, A. "Optimas Awards Recognize Triumphs in HR," Personnel Journal, January 1995, pp. 66-80.

porate sector. Many of their programs are producing results and adding to the bottom line.

The competencies required for the HR function underscore the changing role and importance of the function. A comprehensive study of HR competencies in the 90s revealed some important trends for success in the function. The study identified a three-part framework for conceptualizing HR competencies including a knowledge of business, delivery of HR practices, and managing the change process. As shown in Figure 1-1, business capabilities are an important part of this framework. According to the study, HR professionals fail to add their full value to an organization if they do not understand how the business operates. Knowledge of an organization's financial, strategic, and technological capabilities is essential to any strategic discussion. HR professionals who are knowledgeable exclusively in industrial, employee, or human relations may be competent in their discipline, but fail to understand the essentials of the business world in which their firms are involved.¹⁵

Probably one of the most visible indicators of the developing importance of the HR function is the status, influence, and position of the HR manager in major organizations. More and more, human resource executives are making their way to CEO positions and into corporate boardrooms. It is not unusual to find an employee who worked in HR for most of his or her career promoted to CEO, as is the case of Mike R. Bowlin, an HR veteran who leads ARCO, one of the world's largest oil companies.¹⁶ While many HR executives attend board meetings as observers of the process (as non-voting participants), in some cases, they serve as directors.¹⁷

One of the most dramatic developments has been the shift in reporting relationship of HR executives. Often the title of the person to whom the function

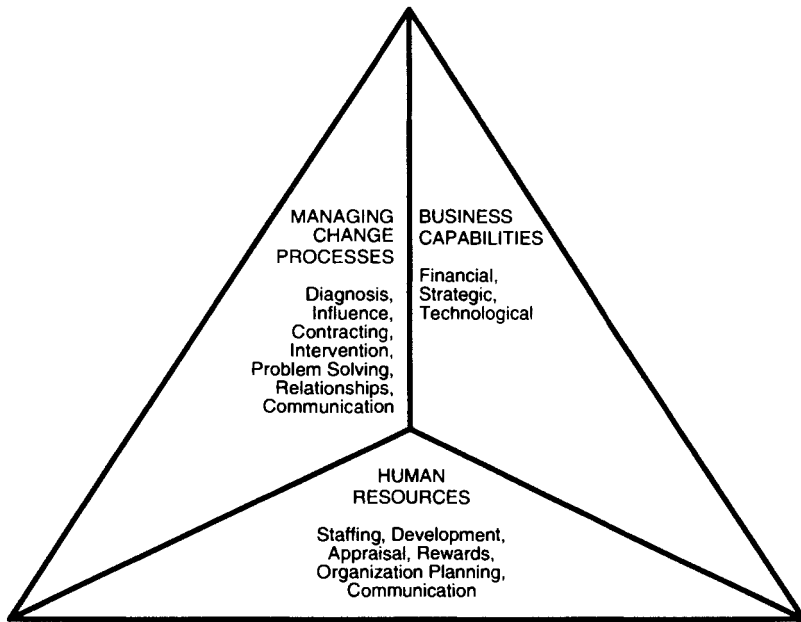


FIGURE 1-1. COMPETENCIES OF HR PROFESSIONALS.

reports is a reflection of the status and influence of the function. Human resources executives have gradually moved their reporting relationship to higher levels. In the early 80s, human resources managers usually reported to a chief administrative officer, chief operating officer, or chief financial officer. Currently, they usually report to the chairman, president, or CEO. An analysis of the *Personnel Journal 100*, which is a listing of the top 100 HR executives, reveals that 76 percent of them report to a person with the title of chairman, CEO, or president—a tremendous improvement in just a few years. Also, in the same list, at least three HR executives serve as members of the board of directors.¹⁸

Accounts of the importance of HR appear regularly in the newspapers. A reader doesn't have to venture very far into a newspaper to uncover a major story involving human resources. From massive loss of jobs to labor disputes, many of the major stories dominating business headlines have been directly related to human resource issues. These situations underscore what leaders in the nation's most progressive organizations have been saying for years: organizational success is inextricably linked to effective HR strategies. The popular press's treatment produces some interesting twists, particularly in the finance and investment field. There is some evidence that human resource organizational practices are

one of the items mutual fund investment managers use to pick stocks for their portfolio. With greater emphasis being placed on customers, quality, employee empowerment, and flattened hierarchies, mutual fund managers are beginning to include the HR factor in fund selection.¹⁹

Finally, looking to the future, HR skills and issues will become more and more critical. A major study of 1,500 senior executives conducted by Columbia University revealed some insight into the knowledge and skills required of CEO's in the future. This study focused on what skills and knowledge they have now and will need for the year 2000. Among the current skills, human resource management was ranked third behind strategy formulation and marketing and sales. By the year 2000, human resource management skills will be second behind strategy formulation and will be followed by marketing and sales and accounting and finance. This trend shows the increasing importance of the HR function, not only among those who are involved in the field full-time, but for those top executives who must also devote time to this important function.²⁰

Increased Accountability

The trend toward accountability can be illustrated in many ways and has been referred to by many different labels, as Figure 1-2 illustrates. These terms appear regularly in HR literature. Almost any professional HR publication devotes a tremendous amount of print space to HR accountability issues. Articles, presentations, and interviews all make a pitch for HR professionals to embrace the bottom line.²¹ The accountability issue is illustrated by hundreds of published examples of HR programs that present their successes in measurable improvements and, in many cases, show monetary values. Some articles show that the connection between HR practices and the bottom line is quite clear and evident.²² Organizations are offered numerous strategies to help move them from an activity-oriented process to a results-based orientation, usually by providing prescriptions to add value and measure the success of programs.²³ Fortunately, some of these strategies are working because evidence has been published of significant moves toward increased accountability in HR. In one survey, HR executives were asked how often the HR function was evaluated and in what ways. Thirty-two percent of the executives indicated that their HR department is evaluated at least annually. Unfortunately, 29 percent say they seldom or never conduct such an evaluation.²⁴

Numerous empirical studies are conducted that attempt to relate the effectiveness of the HR function to organizational outputs. One study compared the HR practices of organizations identified as the top 100 rapid growth companies.²⁵ In this study, companies were divided into two groups, those that were engaged extensively in HR practices and those with moderate or low HR involvement. The profitability of the two groups was compared and the results indicated a strong



FIGURE 1-2. LABELING THE CONTRIBUTION OF THE HUMAN RESOURCES FUNCTION.

relationship between HR practices and the bottom line. The statistically significant results showed a tremendous difference in average net income between the two groups. A three-year study sponsored in part by the Society for Human Resource Management examined the relationships between sophisticated HR practices and productivity, turnover, and financial and accounting performance criteria. This study showed a strong correlation between the use of sound HR practices and increased firm performance by examining the gross rate of return on capital, total shareholder return, and price-cost margins. Sound HR practices are also associated with lower turnover and increased productivity measured as sales per employee. The study's author, Dr. Mark Huselid, of Rutgers University, states that "HR is the last great unrationalized area of business. Gains in production and performance won't be found in new financial and accounting methods. They probably won't be found in marketing. It's the HR area that has been overlooked."²⁶

Another study, conducted by Hewitt Associates, a human resources consulting firm, shows the impact of the HR function in both financial and productivity per-

formance. The study examined the effect of programs that focus on worker performance. It compared 205 companies with performance management programs to 232 companies without programs. Table 1-2 shows the results of this study. The companies with these programs posted higher profits, better cash flows,

TABLE 1-2
THE IMPACT OF HR ON FINANCIAL PERFORMANCE

	COMPANIES WITHOUT PERFORMANCE MANAGEMENT	COMPANIES WITH PERFORMANCE MANAGEMENT
Financial Performance: Return on Equity	4.4%	10.2%
Return on Assets	4.5%	8.0%
Productivity and Sales Per Employee	\$126,100	\$169,900
Income Per Employee	\$1,900	\$5,700

Source: "Effective People Management Helps the Bottom Line," Personnel Journal, December 1994, p. 17.

stronger stock market performance, and higher stock values. As the table shows, significant gains in productivity and financial performance were realized. According to the study's author, Edward L. Gubman, head of the HR consulting practice at Hewitt, "The study has broad implications for top management and human resource executives. In essence, this study proves that good human resource management practices produce a payoff in terms of bottom-line financial performance.²⁷ Programs that relate HR practices to bottom-line contributions are not limited to compensation programs such as incentives and gain sharing. They cover a broad range of programs. Even areas difficult to evaluate, such as diversity training, are now being linked to organizational success.²⁸

Another interesting way in which HR accountability is being recognized is through awards presented to individuals and organizations for their HR programs that connect to the bottom line. One particular award is designed expressly for that purpose. The American Management Association annually provides HR awards of excellence to honor HR professionals who have demonstrated innovative programs and initiatives that positively impact the bottom line. For example, the 1994 award winner went to Thomas DuPree, policy manager for IBM's ideas department. DuPree was honored for technologically enhancing IBM's 63-year-old suggestion plan. The result: IBM ideas, an online computer application that makes it easier for the company's 124,000 employees to submit suggestions and have them evaluated and implemented faster.²⁹ The program's response increased by 25 percent with the new online process, and actual savings realized by IBM in

1993 reached \$140 million. Program costs related to the ideas program has been reduced to 5 percent of savings accrued, down from 14 percent under the previous method.

Finally, the ultimate way in which HR accountability can be demonstrated is by gradually shifting the HR function to the profit center concept. Although this concept is controversial, there has been some movement toward the profit center concept in a few organizations.³⁰ Several companies are converting programs and services to a profit center internally and externally. In some cases, HR services are sold to outside firms.

Organizational Change and Quality Programs

A third dramatic trend related to HR contribution is the proliferation of a variety of organizational change and quality programs. These programs are sometimes referred to as re-engineering, restructuring, total quality management, continuous process improvement, employee empowerment, and customer focus. For many of the programs, the HR department implements the program. The role of HR in the process has never been more evident than in the survey of the *Personnel Journal* 100.³¹ This survey asks the top 100 human resource executives what was their most challenging human resource issue in 1994. Of the total, over 70 percent said managing change, and another 30 percent indicated re-engineering.

Presently, the most common change program has been total quality management, sometimes labeled continuous process improvement or quality assurance. Recently the editors of *HR Focus*, a practitioner publication from the American Management Association, asked its readers in a random poll to identify the issues that would demand most of their time in the near future. The top three issues were promoting employee involvement, improving customer service, and supporting total quality management. According to the survey director, Sherri Brown, of the American Management Association, "These definitely are key concerns. In order for America to be competitive, companies must focus on employee involvement, be more aware of customer concerns and needs, and of course enhance the quality of their products and services."³²

HR's significant role in managing change has brought about a re-examination of its own function. In short, human resources must increase its value to the organization by becoming consultative rather than administrative, automated rather than paper driven, and lean rather than layered. That's exactly what happened to American Express.³³ As the HR executive became the leader in the company's organizational change effort, the HR department reexamined its mode of operation and the way it was perceived in the organization.

The quest for quality continues to be an obsession in corporate America. For the vast majority of progressive firms, Total Quality Management (TQM) has

become a way of life in the 90s. The extent of publicity and media coverage for this concept has been overwhelming. TQM has been given credit for turning companies around, increasing market share, increasing or creating significant growth rates, and more importantly, producing top quality products while increasing profitability. Much of the hoopla over TQM comes from the Malcolm Baldrige National Quality Award. Created in 1987, this award has become the most important catalyst for transforming American business, and more than any other initiative, public or private, it has reshaped manager's thinking and behavior. The Baldrige Award does more than signify the principles of quality management in clear and assessable language. It provides companies with a comprehensive framework for assessing their progress toward the new paradigm of management and such commonly acknowledged goals as customer satisfaction and increased employee involvement.³⁴ The relationship of HR to the Malcolm Baldrige Award is very clear. Of the seven categories, otherwise known as the Seven Pillars of Baldrige, human resource development and management ranks third highest in point value, having a total of 150 out of 1,000 possible points.³⁵ In addition, HR activities such as training and development can influence other categories such as leadership, strategic quality planning, and customer focus and satisfaction. When evaluating the HR function, Baldrige's judges examine how companies enable the workforce to develop its full potential. In doing so, they ask companies to describe their approach and proof of positive results in five categories:

1. HR planning and management
2. Employee involvement
3. Employee education and training
4. Employee performance and recognition
5. Employee well-being and satisfaction

The advent of TQM foreshadows great and positive change for corporations and for human resource professionals in particular. In the past ten years, the most forward thinking corporations in the United States have begun a cultural shift that will transform work. HR can and will play a key role in this significant change.³⁶ The role of human resources can evolve into one of several possibilities. The HR director may be a passive receiver of a TQM effort initiated by another key manager. The HR manager may become part of a quality improvement project team or may be a member of a quality steering committee. Increasingly, however, the HR manager may be tapped to spearhead the total quality effort and belong to the quality council, a group of senior managers who direct the quality initiative.

The role of the human resources department in the quality effort is subject to much debate. Some researchers do not think that HR should lead the quality effort because staff groups rarely lead any key strategic initiative successfully. Ed

Lawler, professor at the Center for Effective Organizations at the University of Southern California in Los Angeles, believes that line management should lead the effort, but HR has to be involved as a partner from the beginning. In the early stages of the quality effort at Xerox, one of the pioneers of total quality management, the decision was made to exclude the human resources department. Previously, HR had managed all cultural change strategies and management felt that if HR led the quality effort, it would be perceived as just another flavor of the month. Instead, line managers and vice presidents carried the quality torch. It wasn't long, however, before Xerox managers realized they had made a mistake. The company had to align its HR systems with its quality goals for the effort to be successful. Xerox invited the HR department to the table and asked HR professionals to share, among other things, their expertise in training, rewards, and recognition.³⁷ Regardless of the approach, the HR manager should be involved in the process and there is evidence to indicate that HR's role is increasing.³⁸

Unfortunately, not all change efforts are working. In fact, many of them are coming under fire. Consider this example. After \$700,000 and 18 months of analysis, meetings, and recommendations, a midwestern company suspended its TQM efforts. Its CEO actively supported the process, trained the employees, participated in the quality council, and surveyed customers and employees, yet concluded that he had missed the boat. Business was flat, the market share was unmoved, and employee morale was back where it once was. Although he could point to some process improvements, the payoff was illusive.³⁹ *The Wall Street Journal* reported that two-thirds of all quality improvement efforts ultimately fail because organizations simply do not understand what quality means or how to attain it.⁴⁰

Regardless of the outcome of TQM and organizational change programs in the workplace, three important conclusions emerge:

- The process continues to expand to all types of businesses. There has been significant growth in its application to government and nonprofit organizations.
- The role of human resources continues to increase with the implementation of these programs. More HR departments are driving the TQM process and other change programs in their organizations.
- The greatest challenge is to continue to reap the initial results achieved in the early stages of implementation. The process of continuous improvement must produce results on a long-term basis.

The third conclusion provides a challenge for HR professionals. They must be poised to make the most of the process. A strong measurement and evaluation process is essential in every program implementation and may be the most important ingredient to the program's success.⁴¹

Improvement in Productivity

During the decade of the 1980s, the United States struggled to understand the erosion of its position as the world's economic power. International competition, particularly from the Far East, made deep inroads into the steel, automobile, electronics, rubber, and other industrial segments of the United States. Declining productivity was singled out as the root of the competition problem. This conclusion has led to a profusion of productivity improvement programs emphasizing issues such as participative management, commitment to excellence, empowerment, self-directed work teams, innovation, value added programs, entrepreneurship, automation, and Japanese management techniques.

With the consensus that there is a productivity problem in the United States economy, American management's interest in productivity reached dramatic proportions. So much has been said and written about the problem that many organizations joined the effort to reverse this trend simply because it appeared to be the thing to do. An important part of this trend is the increasing role of the HR function in productivity improvement programs. The HR department now plays a vital role in initiating, implementing, monitoring, and evaluating these programs. The role and impact of the HR function on productivity improvement are underscored by examining the causes of productivity problems, the barriers to improvements in productivity, and the elements necessary for a successful productivity improvement program. At the top of almost any HR practitioner's list of critical issues are those relating to competitiveness or productivity.⁴²

The types of productivity improvement programs vary considerably. Some are strictly based on pay-for-improved productivity while some integrate cost savings, incentives, and participation. Others provide nonfinancial incentives, such as time off for improvements in productivity. Some plans operate on improvements in productivity based on changes in management style and philosophy to encourage participation in the workforce and the empowerment of employees. Still other programs will rely strictly on behavioral concepts, such as organizational behavior modification, to realize important productivity improvements. It appears that productivity improvements can be linked to almost any organizational variable.⁴³ Productivity improvement programs have spread through all types of settings including nonprofit and government organizations. One report shows that the productivity growth rate of the federal government is slightly ahead of the private sector.⁴⁴

The important aspect about productivity is that, before it can be effectively improved, it must be measured, and this is where the HR function is actively involved. Measurement can be accomplished by isolating output by division, department, work team or by individual. The cost that went into producing the

output has to be determined including labor and capital costs. Using a previous year as a baseline period, the HR manager must compare the current year figures with those of the previous years.⁴⁵ Standard productivity reporting methods must be integrated with generally accepted financial reporting practices. Actual productivity results should be included in regularly published financial and operational reports and should be an integral part of the goal setting and budgeting process in any business.

Some observers question the motivation and work ethic of the U.S. worker. Critics point to the declining role of work in the U.S. coupled with the rising demands for more leisure time. Many firms, however, proudly point to their productivity increases and claim that increases are due to employees working smarter, not harder.⁴⁶ The most powerful tools for productivity improvement often lie within management control, but the tools have to be applied consistently and within the framework of an overall strategy for performance improvement. Many HR programs are designed to improve productivity or performance. Training, compensation, motivational programs, employee relations practices, and organization development usually focus on performance improvement. A combined strategy must coordinate all the elements of human resource management.

Successful stories are reported regularly in the press. Consider an IMPROSHARE plan for example in which workers are essentially paid bonuses equal to $\frac{1}{2}$ of any increase in productivity. A study of its use in manufacturing firms found that defect and downtime rates fell by 23 percent in the first year of its introduction. In the median firm, the overall increase in productivity was more than 5 percent in the first three months and more than 15 percent by the third year. By comparison, productivity increased by only 2 percent, on average, in these manufacturing sectors as a whole.⁴⁷ Improvement in productivity results from all types of HR programs. Consider for example, a program at Xerox where changes in work schedules produced impressive results. Xerox found its rigid 8:00 to 5:00 work schedule created stress among the employees and difficulties for employees who needed more flexibility with child care and family problems. When Xerox announced that employees could determine their own hours, they obtained some interesting results. Ten months after the announcement, about $\frac{1}{2}$ the employees chose new starting times or compressed work weeks, while continuing to cover the work. Absences fell by $\frac{1}{4}$, teamwork improved, and surveys show that morale rose. Other companies such as GTE, Stride Rite Corporation, and Chicago's Harris Bank have reported similar results. In fact, GTE managers are constantly astounded at the creativity employees bring to make nontraditional arrangements work.⁴⁸

From all indications, it appears that the HR function will continue to play an integral part in productivity improvement efforts. In addition, because of their impact on the organization's bottom line, productivity improvement programs

provide a means for the HR function to make a significant contribution to overall organizational effectiveness.

Adoption of Human Resources Strategies

Perhaps one of the most intriguing trends in recent years is the adoption of HR strategies by organizations. Strategic planning is critical to an organization's growth and prosperity when it attempts to gain or retain a competitive advantage. The growing importance has significant implications for both corporate strategy and HR management. The HR planning strategy is fundamental to measuring and evaluating the contribution of HR toward organizational effectiveness. Because it is tied to business success, it must be data based. While every planning process involves many subjective and expert judgments, the more relevant facts and information used, the greater the chances are that the plan will be appropriate, realistic, and effective.

Human resource strategies are essentially plans and programs to address fundamental strategic issues related to human resource management. Randall Shuler has defined strategic human resource management in this way:

Strategic human resource management is largely about integration and adaptation. Its concern is to ensure that 1) human resources management is fully integrated with the strategy and the strategic needs of the firm, 2) HR policies are both across policy areas and across hierarchies, and 3) HR practices are adjusted, accepted, and used by line managers and employees as part of their everyday work.⁴⁹

The importance of the human resource function to an organization's strategy is underscored by reviewing the overall functions of strategic planning. These include periodic forward scanning, analysis based on longer time frame, communication about goals and resource allocation, framework for short-term plan evaluation and integration, institutionalizing longer term time horizons necessary for investments, and decisional criteria for short-term decision making.⁵⁰ It is impossible to address these critical issues without bringing in the human resources factor at each element of the process.

In the early development of strategic planning and strategic management, there was little concern about the human resources function until the actual implementation began. Rarely was the human resource function brought into the planning process. Now this is changing. Strategy and human resource planning are integrated early in the process.⁵¹ As shown in Table 1-3, there are several benefits of integrating human resource planning with strategic planning, making it imperative for this integration to be regularly pursued.⁵² This issue is so important that

TABLE 1-3
BENEFITS OF INTEGRATING HUMAN RESOURCE PLANNING WITH
STRATEGIC PLANNING

-
1. Generates more diverse solutions to complex organizational problems.
 2. Ensures consideration of human resources in organizational goal-setting processes.
 3. Ensures consideration of human resources in assessment of the organization's abilities to accomplish goals and implement strategies.
 4. Reciprocal integration prevents strategy formulation based on personnel rigidities/preferences.
 5. Facilitates concurrent consideration of strategic plans and managerial succession.
 6. Ensures that a comprehensive measurement system is in place.
-

Source: Adapted from Greer, C. R. Strategy and Human Resources: A General Managerial Perspective. Englewood Cliffs: Prentice Hall, 1995.

some experts have suggested that the human resource manager be labeled Director of People Strategy.⁵³

Because of the importance of strategy in the success of firms and the critical ingredient of human resources in the strategic plan, human resource managers are finding themselves heavily involved in the strategic planning process. Because strategy is related to the organizational goals, the ultimate opportunity to show the contribution of human resources begins in the strategic planning arena.

Growing Use of Human Resources Information Systems

During the last decade, no trend has been more visible than the growing use of computers in the HR function. Advancements in the computer and data processing industry have expanded the use of HR information systems. These advances allowed HR managers in all types and sizes of organizations to tap the capabilities of computers. It is now possible to automate the HR function with a complete information system for under \$10,000. Powerful microcomputers are changing the way managers and professionals work. In the early 1980s, there were only a few dozen software programs for the HR field. Now there are over 600 micro-based programs for personnel applications with more than 200 vendors.⁵⁴

The vast capability of systems allows greater amounts of data to be analyzed, monitored, and reported, and ultimately leads to more accurate measures of performance at the organization, division, and department level. It is not uncommon for typical data elements in a human resources information system (HRIS) to include 150 variables on employees. These data represent a tremendous potential

in developing measures, analyzing results, and reporting them to management. This trend alone has a tremendous influence on the organization's ability to measure the contribution of the HR function.⁵⁵

With the tremendous pace of technological changes, this part of the HR function has changed more rapidly than any other element. There have been remarkable advances in the way massive amounts of information are collected, processed, and manipulated. As a result, the human resource function now pivots on the capability of the information system. In the late 80s, it was the norm to request information on a monthly basis and expect a week's delay to generate that information manually. Today, that information can be obtained instantly.

An effective HRIS system has altered senior management's expectations of the HR function. Because benefits and compensation costs represent huge investments with a major impact on the bottom line, senior management is keenly interested in HR costs and the ways to calculate and control them. Senior management is becoming accustomed to calling on HRIS to generate data and conduct "what-if" calculations and make projections. This information is needed on a timely basis to make proactive decisions about business strategy. Historical information is examined so that the organization can learn from past errors and successes.

It would be impossible to think of administering benefit and compensation programs without HRIS. It has become an important and essential tool for the human resource function managing a growing database for the organization. While the principal focus of HRIS in the past has been to keep records and analyze data in a variety of ways, emerging applications now make it possible for HR functions to accumulate and analyze data related to specific HR programs. Thus, the computer in the HRIS system will become the principal tool to track and monitor data to show the overall contribution of the human resource function.⁵⁶

Reliance on Partnership Relationships

A final important trend related to the HR contribution is the movement toward, and reliance on, partnership relationships in organizations. There is no doubt that organizations change, particularly in the way they work internally. As part of this rapid change, many HR professionals have aligned themselves with key managers of functions in the organizations. In simple terms, the HR profession is desperately trying to collaborate with line management. HR executives have watched their roles shift from the reactive to the proactive and now to the collaborative role where they work hand-in-hand with key managers in anticipating problems and planning the strategic direction for the organization.⁵⁷

Building this relationship is not easy. It takes a tremendous amount of time and a deliberate plan for HR managers. A critical ingredient to a partnership arrangement is that the HR manager must be knowledgeable of the business and con-

tribute to business decisions. Also, HR managers must take the time to develop individual relationships; however, doing so takes precious time from other important activities.⁵⁸ But the investment can reap tremendous dividends, as many HR managers have experienced. An important part of the partnership relationship is convincing line management of the bottom-line contribution of HR. When line managers see the contribution and understand it, they are less reluctant to enter a partnership relationship. Because of the importance of this trend, it will be presented in more detail later.

THE IMPORTANCE OF THESE TRENDS

There are other important trends in HR such as global expansion, diversity management, and the implementation of work teams; however, the unique feature of the seven trends described here is that they are tightly integrated and are directly related to HR's contribution to the organization's bottom line. Changes in the HR function in the last decade have focused more attention on these trends because they have a significant impact on HR's ability to improve organizational performance. Clearly, the human resources function has taken on new dimensions and has become a valuable business partner in any organization. Still, there is much progress to be made. Increased concern for HR accountability has surfaced, and top management, as well as the other constituencies served by the HR function, are expecting significant contributions from human resources. It appears that the HR function must meet this demand with new and improved measurement and evaluation strategies.

CHALLENGES

The seven trends presented here set the stage for the development of concrete links between HR performance and organizational performance. Three important challenges are identified:

- **The human resources function should be integrated into the strategic planning and operational framework of the organization.** It is essential that human resources become involved in the overall strategic direction of the organization. Also, it must be an active participant in the organization's operational planning. Otherwise, the important link between human resources and the organization's bottom line will not be clearly identified nor fully realized. It is no longer acceptable for organizations to develop strategic plans without considering all the ramifications of the employee costs or

the potential contribution of employees to strategic initiatives. HR must be an integral part of the planning and not an add-on part of the process.

- **The human resources staff must build relationships with other key managers in the organization, with a particular focus on the line organization.** The line function has a responsibility for achieving major organizational goals, and it must have the support of the HR department to achieve those goals. In many cases the extent of the combined contribution of the line organization and the HR staff depends on the quality of their relationship. The challenge is for the HR staff to refine and improve this relationship.
- **The HR staff must improve techniques and processes in order to measure the effectiveness of the function.** This important challenge is relatively new to the field. For too many years the cost of human resources has been recognized and not challenged. Employee contributions have been forced, not inspired, and organizations are now faced with the consequences. Programs have been added, but the return on the investment has not been developed. The HR staff must implement specific processes appropriate for the organization to measure the contribution. The remainder of this book will focus on these three challenges with a particular emphasis on the second and third challenges.

PARADIGM SHIFTS

Many HR managers are inadequately prepared to make the shift from traditional HR function to a more results-based approach demanded in today's environment. As depicted in Table 1-4, the movement represents a significant paradigm shift for the HR manager and staff. In the traditional approach, new programs were initiated by request or suggestion from any significant manager or group. This led to a tremendous proliferation of programs, often too many to manage effectively. The new approach requires the HR staff to initiate programs only after a legitimate need is established and to focus its effort on a manageable number of programs that have a significant impact in the organization. In the traditional approach, existing programs were rarely, if ever, eliminated. Once established, they appeared to be set in concrete. The new approach means that there is a systematic review and adjustment of programs. If one is no longer needed, or if it is not making a contribution, then it has to be eliminated.

The basis of accountability has shifted significantly. In the traditional approach, activities, such as number of programs, hours of involvement, and the number of participants, are counted. In the results-based approach, specific measures of contribution are developed for each program. In the traditional approach, limited

TABLE 1-4
PARADIGM SHIFTS NECESSARY FOR A RESULTS-BASED APPROACH

TRADITIONAL APPROACH	RESULTS-BASED APPROACH
New programs initiated by request or suggestion of any significant manager or group.	New programs initiated only after a legitimate need is established.
A multitude of programs in all areas.	Fewer programs with greater opportunity to make an impact.
Existing programs are rarely, if ever, eliminated or changed.	Existing programs are regularly reviewed and eliminated when necessary.
Count activities, hours of involvement, number of employees involved, etc.	Measure the impact of programs on the organization.
Limited management involvement in the HR process.	Extensive involvement and collaboration with management.
HR viewed as cost center.	HR is viewed as an investment in employees.
HR staff unfamiliar with operations issues.	HR staff very knowledgeable about operations issues.
HR staff lack knowledge of finance and business concepts.	HR staff versed in basic finance and business concepts.

opportunities for management involvement in the HR process were possible. Both sides seemed to be comfortable with this arrangement. Relationships were not very productive. In the results-based approach, there is extensive involvement and collaboration with management, particularly at the middle and upper management levels. In the traditional approach, HR is viewed as a cost center and it is reported as such in all company documents. In a results-based approach, HR is viewed as an investment in employees. Some programs are undertaken to actually enhance the organization and thus produce a return on the investment.

In the traditional approach, the HR staff is unfamiliar with the basic issues, goals, and concerns of the operations of the organization. They also lack the knowledge of basic business and finance concepts. The results-based approach requires the staff to be knowledgeable in all of the key operational areas of the business and be versed in the basic finance and accounting concepts.

This is a tremendous shift for many HR managers who still cling to the traditional mode of operation. All the evidence in this chapter underscores the critical need to make this shift to the results-based approach.

CONCLUSION: PAYOFF OF MEASURING THE HR CONTRIBUTION

This chapter described an important movement toward accountability in the HR field. Central to this movement is the increased attention to the measurement and evaluation of HR. At least six important payoffs will result from a more formal approach to evaluation.⁵⁹ These payoffs are as follows:

- **Evaluation makes good economic sense.** Every HR program should provide an appropriate return on the investment. It makes good business sense to show a program's worth by providing convincing evidence that can only be obtained through a formal measurement and evaluation process. Accountability is a basic business principle.
- **Evaluation shows proof of results.** The HR staff need to see the results of their efforts. The staff should know how well they are performing, and management must see how well the function is progressing. This is difficult to accomplish without a formal approach to measurement and evaluation.
- **Results from evaluation encourage the HR staff to focus on important activities.** Evaluation brings into focus those activities that will make a difference in the contribution to organizational effectiveness. When program outcomes are tied to a bottom-line contribution, the HR staff can identify which programs have the most impact and concentrate on them. Otherwise, the HR staff may devote too much time on activities that may have little impact on organization success, wasting time and financial resources.
- **Data collected for evaluation isolate the causes of problems.** The HR staff often focuses on problem areas and implements new programs and policies to solve those problems. Sometimes they may attempt to solve problems that are beyond the scope of HR. A formal measurement and evaluation effort provides data necessary to clearly identify the causes of problems and to measure progress toward problem resolution when the problem can be corrected by HR.
- **Results from measurement and evaluation can lead to additional resources.** As the HR function continues to make contributions, additional resources are needed for new programs, services, and policies. One of the most effective ways to justify additional resources is to show the results from previous programs through the evaluation process.
- **Evaluation increases personal satisfaction and position.** An important sense of personal satisfaction comes from seeing the results of one's work. Evaluation allows the HR staff to judge their success much the same way as production or sales employees view their output. This not only increases per-

sonal satisfaction, but it can increase the influence and respect enjoyed by the HR function. As the function's importance grows from positive contributions, its influence will grow as well as the personal position of HR employees.

Together, these important payoffs should provide the incentive for HR departments and HR executives to pursue an ambitious, formal program of measurement and evaluation. To do otherwise, may lead to disappointment and frustration.

A SELF-ASSESSMENT TOOL

Evaluating the HR function and specific HR programs involves more than developing performance measures and administering evaluation instruments. It is a results-based philosophy that the organization must adopt at all levels if evaluation efforts are to be effective. Assessing current attitudes about measurement and evaluation in the organization poses difficult problems for HR practitioners. The instrument shown in Table 1-5 has been developed to assess the current sta-

Text continued on page 28

TABLE 1-5
HOW RESULTS-BASED ARE YOUR HUMAN RESOURCES PROGRAMS?
A QUICK CHECK FOR THE HUMAN RESOURCES MANAGER

Select the response that best describes the situation in your organization and circle the letter preceding the response. See Appendix I for scores.

1. Performance measurements have been developed and are used to determine the effectiveness of:
 - A. All human resources (HR) functions.
 - B. Approximately half of the HR functions.
 - C. At least one HR function.
 2. Major organizational decisions are:
 - A. Usually made with input from the HR function.
 - B. Usually made without input from the HR function.
 - C. Always made with input from the HR function.
 3. The return on the investment in HR is measured primarily by:
 - A. Intuition and perception by senior executives.
 - B. Observations by management and reactions from participants and users.
 - C. Improvements in productivity, cost savings, quality, etc.
-

(continued on next page)

TABLE 1-5 CONTINUED
HOW RESULTS-BASED ARE YOUR HUMAN RESOURCES PROGRAMS?
A QUICK CHECK FOR THE HUMAN RESOURCES MANAGER

4. The concern for the method of evaluation in the design and implementation of HR programs occurs:
 - A. Before a program is developed.
 - B. After a program is implemented.
 - C. After a program is developed but before it's implemented.
 5. New HR programs *without* some formal method of measurement and evaluation are:
 - A. Never implemented.
 - B. Regularly implemented.
 - C. Occasionally implemented.
 6. The costs of specific HR programs are:
 - A. Estimated when the programs are implemented.
 - B. Never calculated.
 - C. Continuously monitored.
 7. The costs of absenteeism, turnover, and sick leave for the organization are:
 - A. Routinely calculated and monitored.
 - B. Occasionally calculated to identify problem areas.
 - C. Not determined.
 8. Cost/benefit comparisons of HR programs are:
 - A. Never developed.
 - B. Occasionally developed.
 - C. Frequently developed.
 9. In an economic downturn, the HR function will be:
 - A. Retained at the same staffing level, unless the downturn is lengthy.
 - B. The first to have its staff reduced.
 - C. Untouched in staff reductions and possibly beefed up.
 10. The cost of current or proposed employee benefits are:
 - A. Regularly calculated and compared to national, industry, and local data.
 - B. Occasionally estimated when there is concern about operating expenses.
 - C. Not calculated, except for required quarterly and annual reports.
-

(continued on next page)

TABLE 1-5 CONTINUED
HOW RESULTS-BASED ARE YOUR HUMAN RESOURCES PROGRAMS?
A QUICK CHECK FOR THE HUMAN RESOURCES MANAGER

11. The chief executive officer (CEO) interfaces with the senior HR officer
 - A. Infrequently, it is a delegated responsibility.
 - B. Occasionally, when there is a pressing need.
 - C. Frequently to know what's going on and to provide support.
12. On the organizational chart, the top HR manager:
 - A. Reports directly to the CEO.
 - B. Is more than two levels removed from the CEO.
 - C. Is two levels below the CEO.
13. Line management involvement in implementing HR programs is:
 - A. Limited to a few programs in their area of expertise.
 - B. Nil; only HR specialists are involved in implementing programs.
 - C. Significant; most of the programs are implemented through line managers.
14. The HR staff involvement in measurement and evaluation consists of:
 - A. No specific responsibilities in measurement and evaluation with no formal training in evaluation methods.
 - B. Partial responsibilities for measurement and evaluation, with some formal training in evaluation methods.
 - C. Complete responsibilities for measurement and evaluation, even when some are devoted full time to the efforts; all staff members have been trained in evaluation methods.
15. Human resources development (HRD) efforts consist of:
 - A. Full array of courses designed to meet individuals' needs.
 - B. Usually one-shot, seminar-type approaches.
 - C. A variety of education and training programs implemented to improve or change the organization.
16. When an employee participates in an HR program, his or her supervisor usually:
 - A. Asks questions about the program and encourages the use of program materials.
 - B. Requires use of the program material and uses positive rewards when the employee meets program objectives.
 - C. Makes no reference to the program.

(continued on next page)

TABLE 1-5 CONTINUED
HOW RESULTS-BASED ARE YOUR HUMAN RESOURCES PROGRAMS?
A QUICK CHECK FOR THE HUMAN RESOURCES MANAGER

-
17. Pay-for-performance programs (bonuses, incentive plans, etc.):
 - A. Exist for a few key employees.
 - B. Are developed for all line employees.
 - C. Are developed for most employees, line and staff.
 18. Productivity improvement, cost reduction or quality of work life programs are:
 - A. Not seriously considered in the organization.
 - B. Under consideration at the present time.
 - C. Implemented with good results.
 19. The results of HR programs are communicated:
 - A. Occasionally, to members of management only.
 - B. Routinely, to a variety of selected target audiences.
 - C. As requested, to those who have a need to know.
 20. With the present HR staff and management's attitude toward results, the HR function's impact on profit can:
 - A. Be estimated but probably at a significant cost.
 - B. Be estimated (or is being estimated) with little additional cost.
 - C. Never be assessed.
-

Note: An earlier version of this instrument was first published in Phillips, J. J. "How Does Your HR Department Rate? A Self Test." The Human Resources Professional Vol. 1, No. 6, Sept./Oct. 1989, pp. 12-17.

Text continued from page 25

tus of measurement and evaluation efforts and measure progress in the future. The instrument examines 20 issues related to a results-based philosophy that should help organizations assess the extent of success of their HR programs. It should also provide a means to compare one organization's efforts to another. The instrument is appropriate for all professional HR staff members, although the target audience is the individual responsible for the function. Responses should be candid and anonymous. After responding to all statements, the instrument should be scored using the guidelines provided in Appendix 1. The rationale for determining the correct responses is briefly outlined, and an interpretation of scores is also presented. Completing and scoring the instrument is usually an enlightening exercise that could alter the approach to program implementation.

REFERENCES

1. Caudron, S. "HR Leaders Brainstorm the Profession's Future," *Personnel Journal*, Vol. 73, No. 7, August 1994, pp. 54-61.
2. Halcrow, A. "The HR Budget Squeeze," *Personnel Journal*, June 1992, pp. 114-128.
3. Loomis, C. J. "Dinosaurs?" *Fortune*, May 3, 1993, pp. 36-42.
4. Carroll, P. *Big Blues: The Unmaking of IBM*. New York: Crown Publishers, 1993.
5. Dubnicki, C. and Williams, J. B. "Using Competency-Based Human Resources Planning to Improve the Bottom Line," *The Human Resources Professional*, Winter 1990, pp. 56-61.
6. Pechter, K. "Great Expectations," *Human Resource Executive*, June 1992, pp. 34-39.
7. Vines, L. S. "A Foot in the Boardroom Door," *Human Resource Executive*, November 1992, pp. 29-31.
8. Lehrer, R. N. (Ed). *White Collar Productivity*. New York: McGraw-Hill, 1983.
9. Fisher, L. M. "Sears Auto Centers to Hart Commissions," *New York Times*, June 23, 1992, p. D1.
10. Thornburg, L. "The White Knight of HR Effectiveness," *HRMagazine*, November 1992, pp. 67-73.
11. Drucker, P. F. "How to Measure White-Collar Productivity," *The Wall Street Journal*, November 26, 1985, p. 28.
12. Levering, R. and Moskowitz, M. *The 100 Best Companies to Work for in America*. New York: Doubleday, 1993.
13. Shetty, Y. K. and Buller, P. F. "Regaining Competitiveness Requires HR Solutions," *Personnel*, July 1990.
14. Halcrow, A. "Optimas Awards Recognize Triumphs in HR," *Personnel Journal*, January 1995.
15. Ulrich, D., Brockbank, W., and Yeung, A. "HR Competencies in the 1990's," *Personnel Administrator*, November 1989.
16. Bowlin, M. R. "HR Vet Leads ARCO," *HRMagazine*, December 1994, pp. 46-51.
17. Vines, L. S. "A Foot in the Boardroom Door," *Human Resource Executive*, November 1992, pp. 29-31.
18. Sunoo, B. P. "No Business As Usual," *Personnel Journal*, December 1994.

19. Ettorre, B. "HR Isn't a Factor for Mutual Funds . . . Yet," *HR Focus*, December 1994, p. 15.
20. Filipowski, D. and Halcrow, A. "HR Leaders Are Powerful," *Personnel Journal*, December 1992, p. 48.
21. Rhodeback, M. J. "Embrace the Bottom Line," *Personnel Journal*, May 1991.
22. Radford, J. and Kove, S. "Lessons from the Silicon Valley," *Personnel Journal*, February 1991.
23. Nathansonn, C. "Three Ways to Prove HR's Value," *Personnel Journal*, January 1993.
24. Cashman, M. E. and McElroy, J. C. "Evaluating the HR Function," *HRMagazine*, January 1991.
25. Albert, M. "HR Profit Power," *Personnel*, February 1990.
26. Thornburg, L. "Yes, Virginia, HR Contributes to the Bottom Line," *HRMagazine*, August 1993, pp. 62-63.
27. "Effective People Management Helps the Bottom Line," *Personnel Journal*, December 1994, p. 17.
28. Majors, G. and Sinclair, M. J. "Measure Results for Program Success," *HRMagazine*, November 1994, pp. 57-61.
29. Smith, B. "Winning Innovations in HR Management," *HR Focus*, June 1994, p. 7.
30. Pauly, D. "HR: The New Profit Center," *Human Resource Executive*, August 1993, pp. 36-41.
31. Sunoo, B. P. "No Business As Usual," *Personnel Journal*, December 1994.
32. Mattes, K. "A Look Ahead for '93," *HR Focus*, January 1993, p. 1, 4.
33. Overman, S. "Big Bang Change," *HRMagazine*, June 1994, pp. 50-53.
34. Garvin, D. A. "How the Baldrige Award Really Works," *Harvard Business Review*, November-December 1991.
35. Caudron, S. "HR Is One Pillar of the Baldrige Award," *Personnel Journal*, August 1993, p. 48J.
36. Carter, C. C. "Seven Basic Quality Tools," *HRMagazine*, January 1992.
37. Caudron, S. "How HR Drives TQM," *Personnel Journal*, August 1993, pp. 48B-48I.
38. Shadovitz, D. "Joining the Revolution," *Human Resource Executive*, April 1993.
39. Leibman, M. S. "Getting Results from TQM," *HRMagazine*, September 1992.

40. Caudron, S. "Keys to Starting a TQM Process," *Personnel Journal*, February 1993.
41. The Price Waterhouse Change Integration Team. *Better Change: Best Practices for Transforming Your Organization*. Burr Ridge: Irwin Professional Publishing, 1995.
42. Lewin, D. and Mitchell, D. J. *Human Resource Management: An Economic Approach*, 2nd Edition. Cincinnati: South-Western College Publishing, 1995.
43. Wilson, T. B. *Innovative Reward Systems for the Changing Workplace*. New York: McGraw-Hill, Inc., 1994.
44. U.S. Bureau of Labor Statistics, Productivity Measures for Selected Industries and Government Services, Bulletin 2406 (Washington: GPO, 199), pp. 106-110.
45. Ivancevich, J. M. *Human Resource Management*. Chicago: Irwin, 1995.
46. Cascio, W. F. *Managing Human Resources: Productivity, Quality of Work Life, Profits*, 4th Edition. New York: McGraw-Hill, 1995.
47. Kaufman, R. T. "The Effects of IMPROSHARE on Productivity," *Industrial and Labor Relations Review*, 45, 311-322, 1992.
48. Shellenbarger, S. "The Keys to Successful Flexibility," *The Wall Street Journal*, January 13, 1994, pp. B1, B2.
49. Schuler, R. S. "Strategic Human Resources Management: Linking the People with the Strategic Needs of the Business," *Organizational Dynamics*, 21, no. 1, 1992, 18-32.
50. Quinn, J. B. "Strategic Change: Logical Incrementalism," *Sloan Management Review*, 30, no. 4, 1989, 45-55.
51. Anthony, W. P., Perrewe, P. L., Kacmar, K. M. *Strategic Human Resource Management*. Fort Worth: The Dryden Press, 1993.
52. Greer, C. R. *Strategy and Human Resources: A General Managerial Perspective*. Englewood Cliffs: Prentice Hall, 1995.
53. Morin, W. J. "HR as Director of People Strategy," *HRMagazine*, December 1994, pp. 52-54.
54. Noe, R. A., Hollenbeck, J. R., Gerhart, B., and Wright, P. M. *Human Resource Management: Gaining a Competitive Advantage*. Burr Ridge: Irwin, 1994.
55. Flynn, G. "A New HRIS in Wake County Streamlines HR," *Personnel Journal*, May 1994, pp. 137-142.
56. Stright, J. F., Jr. "Strategic Goals Guide HRMS Development," *Personnel Journal*, September 1993, pp. 68-78.

57. Sujansky, J. G. *The Power of Partnering: Vision, Commitment, and Action*. San Diego: Pfeiffer & Company, 1991.
58. Moravec, M., Juliff, R., and Hesler, K. "Partnerships Help a Company Manage Performance," *Personnel Journal*, January 1995, pp. 104–108.
59. Fitz-Enz, J. *How to Measure Human Resource Management*, 2nd Edition. New York: McGraw Hill, 1995.

References

1 CHAPTER ONE The Need for a Results-Based Approach

- 1 . Caudron. S. "HR Leaders Brainstorm the Profession's Future," Personnel
- 2 . Halcrow, A. "The HR Budget Squeeze," Personnel Journal, June 1992, pp.
3. Loomis, C. J . "Dinosaurs?" Fortune, May 3. 1993. pp. 36-42.
4. Carroll. P. Big Blues: The Unmaking o f I B M . New York: Crown Publish- ers. 1993.
5. Dubnicki, C. and Williams, J. B. "Using Competency-Based Human Resources Planning to Improve the Bottom Line," The Human Resources Projiectiond, Winter 1990, pp. 56-61.
6. Pechter, K. "Great Expectations," Human Resource Executive, June 1992,
7. Vines, L. S. "A Foot in the Boardroom Door," Hirtnon Resource Executive,
8. Lehrer, R. N. (Ed). White Collcir Productiir.v. New York: McGraw-Hill,
9. Fisher, L. M. "Sears Auto Centers to Hart Commissions," New York 77nze.s.
10. Thornburg, L. "The White Knight of HR Effectiveness," HRMngnzine,
- I 1 . Drucker, P. F. "How to Measure White-Collar Productivity," The Wkll
12. Levering, R. and Moskowitz, M. The 100 Best Compnies to Work,for in
13. Shetty, Y. K. and Buller, P. F. "Regaining Competitiveness Requires HR
14. Halcrow. A. "Optimas Awards Recognize Triumphs in HR," Personnel
- 1.5. Ulrich. D.. Brockbank, W., and Yeung, A. "HR Competencies in the

16. Bowlin, M. R. "HR Vet Leads ARCO," *HR Magazine*, December 1994, pp.
17. Vines, L. S. "A Foot in the Boardroom Door," *Human Resource Executive*,
18. Sunoo, B. P. "No Business As Usual," *Personnel Journal*, December 1994. *Journal of HR*, Vol. 73, No. 7, August 1994, pp. 54-61. 114-128. pp. 34-39. November 1992, pp. 29-31. 1983. June 23, 1992, p. D1. November 1992, pp. 67-73. *Street Journal*, November 26, 1985. p. 28. *America*. New York: Doubleday, 1993. Solutions." *Personnel Journal*, January 1995. 1990's." *Personnel Administrator* November 1989. 46-51. November 1992, pp. 29-31.
19. Ettorre, B. "HR Isn't a Factor for Mutual Funds . . . Yet," *HR Focus*,
20. Filipowski, D. and Halcrow, A. "HR Leaders Are Powerful," *Personnel*
21. Rhodeback, M. J. "Embrace the Bottom Line," *Personnel Journal*, May
22. Radford, J. and Kove, S. "Lessons from the Silicon Valley," *Personnel*
23. Nathanson, C. "Three Ways to Prove HR's Value," *Personnel Journal*,
24. Cashman, M. E. and McElroy, J. C. "Evaluating the HR Function."
25. Albert, M. "HR Profit Power," *Personnel*, February 1990.
26. Thornburg, L. "Yes, Virginia, HR Contributes to the Bottom Line,"
27. "Effective People Management Helps the Bottom Line," *Personnel Journal*-
28. Majors, G. and Sinclair, M. J. "Measure Results for Program Success,"
29. Smith, B. "Winning Innovations in HR Management." *HR Focus*. June
30. Pauly, D. "HR: The New Profit Center," *Human*

Resource Executive.

31. Sunoo, B. P. "No Business As Usual," Personnel Journal, December 1994.

32. Mattes, K. "A Look Ahead for '93," HR Focus, January 1993, p. 1, 4.

33. Overman, S. "Big Bang Change," HRMagazine, June 1994, pp. 50-53.

34. Garvin, D. A. "How the Baldrige Award Really Works," Harvard Business

35. Caudron, S. "HR Is One Pillar of the Baldrige Award," Personnel Journal,

36. Carter, C. C. "Seven Basic Quality Tools," HRMagazine, January 1992.

37. Caudron, S. "How HR Drives TQM," Personnel Journal, August 1993, pp.

38. Shadovitz, D. "Joining the Revolution," Human Resource Executive, April

39. Leibman, M. S. "Getting Results from TQM," HRMagazine, September-December 1994, p. 15. Journal, December 1992, p. 48. 1991. Journal, February 1991. January 1993. HRMagazine, January 1991. HRMagazine, August 1993, pp. 62-63. Journal, December 1994, p. 17. HRMagazine, November 1994, pp. 57-61. 1994, p. 7. August 1993, pp. 36-41. Review, November-December 1991. August 1993, p. 48. 48-49. 1993. 1992.

40. Caudron, S. "Keys to Starting a TQM Process," Personnel Journal, February 1993.

41. The Price Waterhouse Change Integration Team. Better Change: Best Practices for Transforming Your Organization. Burr Ridge: Irwin Professional Publishing, 1995.

42. Lewin, D. and Mitchell, D. J. Human Resource Management: An Economic Approach, 2nd Edition. Cincinnati: South-Western College Publishing, 1995.

43. Wilson, T. B. Motivational Reward Systems for the Changing Workplace. New York: McGraw-Hill, Inc., 1994.

44. U.S. Bureau of Labor Statistics, Productivity Measures for Selected Industries and Government Services, Bulletin 2406 (Washington: GPO, 199), pp. 106-110.
45. Ivancevich, J. M. Human Resource Management. Chicago: Irwin, 1995.
46. Cascio, W. F. Managing Human Resources: Productivity, Quality of Work Life, Profits, 4th Edition. New York: McGraw-Hill, 1995.
47. Kaufman, R. T. "The Effects of IMPROSHARE on Productivity," *Industrial and Labor Relations Review* 45, 3 11-322, 1992.
48. Shellenbarger, S. "The Keys to Successful Flexibility," *The Wall Street Journal*, January 13, 1994, pp. B 1 , B2.
49. Schuler, R. S. "Strategic Human Resources Management: Linking the People with the Strategic Needs of the Business," *Organizational Dynamics* 21, no. 1 , 1992, 18-32.
50. Quinn, J. B. "Strategic Change: Logical Incrementalism," *Strategic Management Journal*, 30, no. 4, 1989, 45-55.
51. Anthony, W. P., Perrewé, P. L., Kacmar, K. M. Strategic Human Resource Management. Fort Worth: The Dryden Press, 1993.
52. Greer, C. R. Strategy and Human Resources: A General Managerial Perspective. Englewood Cliffs: Prentice Hall, 1995.
53. Morin, W. J. "HR as Director of People Strategy," *HR Magazine*, December 1994, pp. 52-54.
54. Noe, R. A., Hollenbeck, J. R., Gerhart, B., and Wright, P. M. Human Resource Management: Gaining a Competitive Advantage. Burr Ridge: Irwin, 1994.
55. Flynn, G. "A New HRIS in Wake County Streamlines HR," *Personnel Journal*, May 1994, pp. 137-142.
56. Stright, J. F., Jr. "Strategic Goals Guide HRMS Development," *Personnel Journal*, September 1993. pp. 68-78.

32 HUMAN RESOURCE CONTRIBUTION

57. Sujansky, J. G . The Power c#Partnering: Vision, Commitment, and Action. San Diego: Pfeiffer & Company, 1991 .
58. Moravec, M., Juliff, R., and Hesler, K. "Partnerships Help a Company Manage Performance," Personnel Journal, January 1995, pp. 104- 108.
59. Fitz-Enz, J . How to Measure Human Resource Management, 2nd Edition. New York: McGraw Hill, 1995.

2 CHAPTER TWO Measuring the HR Contribution: A Survey of Approaches

2. Wymer, W. E. and Parente, J. A., "Employee Surveys: What Employers Are Doing and What Works," *Employment Relations Today*, Winter 1991/92, pp. 477-484.
3. Cooper, M. R. Employee Commitment in the Eighties. Presentation at the Annual Meeting of the American Society for Personnel Administration, June 29, 1987.
4. Schuster, F. E. *The Schuster Report: The Proven Connection Between People and Profits*. New York: John Wiley, 1986.
5. Gomez-Mejia, L. R., Balkin, D. B., and Cardy, R. L. *Managing Human Resources*. Englewood Cliffs: Prentice Hall, 1995.
6. Tsui, A. S., "Defining the Activities and Effectiveness of the Human Resource Department: A Multiple Constituency Approach," *Human Resource Management*, 26. No. 1, 1987, pp. 35-69. 23-24.
7. Alper, S. W. and Mandel, R. E. "What Policies and Practices Characterize the Most Effective HR Departments?" *Personnel Administration*, 29. No.
8. Flamholtz, E. G. *Human Resource Accounting*. 2nd Edition. San Francisco.
9. Cascio, W. F. *Managing Human Resources: Productivity, Quality of Work*
10. Crawford, R. *In the Eye of the Human Capital*. New York: HarperBusiness,
11. Geber, B. "A Capital Idea," *Training*. January 1992, pp. 31-34.
12. Ivancevich, J. M. *Human Resource Management*. Chicago: Irwin, 1995.
13. McConnell, J. H. "How Are You Doing? Designing an Audit of the HR Function," *Human Resources Professional*. March/April 1989, pp. 61-64.
14. Phillips, J. J. (Ed.) *Measuring Return on Investment*. Alexandria: American Society for Training and Development, 1994.

IS. Fitz-enz, J. SHRM/S[™]rutogti Institute Huniari Resource
Ejfecriveiess S i r vev: I094 Annual Report. Saratoga, CA:
Saratoga Institute, 1995.

16. Overman, S. "In Search of Best Practices,"
HRMtrgtr:irie. December 1993,

17. Gcjmex-Mejia, L. R., Balkin, D. B., and Cardy. R . L.
Mnnagirig Hionuri Resources. Englewood Cliffs: Prentice
Hall, 199.5.

18. Frohman, M. A. "Human Resource Management and the
Bottom Line: Evi- dence of the Connection," Humuri
Resource Minnuprment. 23, 1984, pp.

19. Katz, H. C., Kochan, T. A., and Weber. M. R. "Assessing
the Effects of Industrial Relations Systems and Efforts to
Improve the Quality of Work- ing Life on Organizational
Effectiveness," Acudein, ~ rlf'Mtrritrgeriierit Jorin-

20. U.S. Department of Labor. Background material for the
Conference on the

21. Merrihue. W. V. and Katzell. R. A. "ERI-Yardstick of
Employee Rela-

22. LaPointe. J . R. "Human Resource Performance Indexes."
Personnc~l J o i i r

23. Miner, J. B. and Crane, D. P. Hutnun Resource M ~ ~ n ~
g e i n e n t : The Strategic

24. Thornburg, L. "Yes, Virginia, H R Contributes to the
Bottom Line." I I . 1984, pp. 120- 124. co: Jossey-Bass
Publishers, 1985. Lip, Profits, 4th Edition. New York:
McGraw-Hill, Inc., 1993. 1991. pp. 48-50. 3 1.5-334. 1
1 ~ 1 , 28. 1985. pp. 509-526. Future of the American
Workplace, Ju ly 1993. tions." Hurvurd Bu.sine.s.s
Re\,iebt: 33, No. 6. 1955. pp. 9 1-99, nu/, No. 62. 1983.
pp. 545. 5.53. fe rspwi i ie . New York: HarperCollins
College Publishers, 1995. HRMrrgtr~i/i<~, A U ~ L I S ~
1993. pp. 62-63.

50 HUMAN RESOURCE CONTRIBUTION

25. Phillips, J. J . The Development of a Human Resources
Effectiveness Index.

26. Odiorne, G . S. Personnel A~initiiistrcitioii h!

Objectives. Homewood, 11:

27. Pauly, D. "HR: The New Profit Center," Hirtliarz
Resource Executive.

28. Ball, L. P. "Take Charge: Be An Intrapreneur,"
Personnel Journal, August

29. Kromling, L. K. "CalComp Considers HR a Business
Unit," Personnel Ph.D. Dissertation, April 1988. Irwin,
197 I . August 1993, pp. 36-41. 1990, pp. 40-44.
Journtil, February 1993, pp. 36-4 1 .

3 CHAPTER THREE Developing a Results-Based Approach and a New Model

I . Fitz-Enz. J . Huninn Vrrlirr Mrrriugernent. San Francisco: Jossey-Bass Publishers, 1990.

2a. Phillips, J . J . and Holton, E. F. (Eds.) In Action: Coritlirctirrg N c w l s A.s.se.s.s- nzeiit. Alexandria: American Society for Training and Development, 1995.

2b. Swanson, R. A. Anniwi.s jhr lnip~n~iii,q PerJi,rinniic~. San Francisco: Berrett-Koehler Publishers. 1994.

DEVELOPING A RESULTS-BASED APPROACH A N D A NEW MODEL 77

2c. Moseley, J . L. and Heaney, M. J . "Needs Assessment Across Disciplines," Perfi:fi,rtiurice Iriiprovement Quarterly, Vol. 7, No. I , 1994, pp. 60-79. 3. Phillips, J . J. Hciridbook of Truining Evaluution and Meusureriient Meth- ods. 2nd Edition. Houston: Gulf Publishing Company, 1991.

4. Adapted from "I t Cost Too Much to Save Money," Associated Press. August 27, 1988.

4 CHAPTER FOUR Management Influence on HR Results

1. Steinburg, C. "Partnerships With the Line," *Human Resource Management & Development*, October 1991, pp. 28-35.

2. Fitzgerald, J. *Human Resource Management*. San Francisco: Jossey-Bass Publishers, 1990.

3. King, A. S. and Bishop, T. R. "Functional Requisites of Human Resources: Personnel Professionals' and Line Managers' Criteria for Effectiveness." *Public Personnel Management*, Vol. 20, No. 3, Fall 1991, pp. 285-298.

4. Phillips, J. J. *Handbook of Training Evaluation and Measurement Methods*. 2nd Edition. Houston: Gulf Publishing Company, 1991.

5. Stuart, P. "HR and Operations Work Together at Texas Instruments," *Personnel Journal*, April 1992, pp. 64-68.

6. Comment from participant in a seminar on "Building Effective HR Relationships" conducted by the author, 1992.

7. Shimko, B.W. "All Managers Are HR Managers," *HR Magazine*, January 1990, pp. 67-70.

5 CHAPTER FIVE Data Collection Techniques

1. Hroniec, S. M. *Vittil S i g i i . ~*. New York: American Management Association. 1993.
2. Rosow, J. M. and Zager, R. "Teaching More lor Less: IBM and Travenol Stretch Training lhlars." *The H i r i m / / Ke.srwrc~e.s Profi~ssioritil*. January-February 1989. p. 18.
3. Gatewood, R. D. and Field, H. S. *H i m t i i i Resoirrw Sc4ccr io i i i*. 2nd Edition.
4. Smith, J . E. and Merchant, S. "Using Competency Exams for Evaluating Training," *Trtiitiiiig tiriel Developipmeiit Joiiriul*, August 1990, pp. 65-7 I .
- 5 . Parry, S.B. "How to Validate an Assessment Tool." *f ir i i i i i i g* , April 1993. pp. 37-42.
6. Aiken, L. R. *P.sdiologic.ci1 Testing crnd As.se.s.sirzeiit*, 7th Edition. Boston: Allyn and Bacon, 199 I .
7. Pedhazur, E. J. and Schmelkin, L. P. *Meci~lirenieiil. Desi<yii. riiccl Aizulysis: An hitegtwtectl Approad?*. Hillsdale: Lawrence Erlbaum Associates. 199 I ,
8. Neuman, W. L. *Socitrl Reseciirh Metliocls*. Boston: Allyn and Bacon, 199 I .
9. Rea, L. M. and Parker, R. A. *Desigiiiiig crittl Coricluirig Sur i~>y Rrscurch*:
10. Wymer, W. E. and Carsten, J. M. "Alternative Ways to Gather Opinion."
- 11 . Rosen, N. "Employee Attitude Surveys: What Managers Should Know,"
12. Wilmot, R. E. and McClelland, V. "How to Run a Reality Check." *Treiii-*
13. Rotondi, T. "The Assessment Factor in Questionnaire Surveys," *Pri:soiiwl Joririitil*. February 1989. p. 92.
14. Ofsanko, F. J . and Napier, N. K . (Eds.). *E f l c ~ c t i i ~ H w i i c i u Rrsoir i r~e Meti- sl i r~ i~e~1 t Techtiic/ite.s: A Heriltlmok ,ti),-* *Prcic1itioi1r~i:~* Alexandria: Society for Human Resource

- Management. 1990. Chicago, IL. 1990. pp. 207-252. A
Comprehensive Guide. San Francisco: Jossey-Bass, 1992.
HRMtoday. April 1992, pp. 71-78. Training and
Development Journal. November 1987, pp. 50-52. *et al.*
~. May 1990, pp. 66-72.
15. "Testing Report," *Human Resource Executive*,
May 1994, pp. 46-47.
16. Sharon. A. T. "Testing ... 1.2.3," *Training and Development Journal*, Sep-
17. Heneman. H. G. and Heneman. R. L. *Staffing Organizations*, 3rd Edition. Middleton: October 1989, pp. 30-33.
Mendota House. 1994.
18. Martin, S. L. and Stora, K. B. "Employee Selection by
Testing." *HR Magazine*
19. Solomon, C. M. "Testing Is Not at Odds with Diversity
Efforts." *Personnel*
20. Fetteroll, E. "Did the Training Work? Evaluation By
Interview," *Training*
21. Noe, R. A., Hollenbeck, J. R., Gerhart. B., and
Wright, P. M. *Human Resource Management: Gaining a
Competitive Advantage*. Burr Ridge: Irwin, 1994.
22. Denzin, N. K. and Lincoln, Y. S. *Handbook
of Qualitative Research*. Thousand Oaks: Sage
Publications, 1994, pp. 361-372.
23. Greenbaum, T. L. "Focus Group Research: A Useful
Tool," *HR Focus*, September 1994, p. 3.
24. Marrelli, A. F. "Ten Evaluation Instruments for
Technical Training," *Technical & Skills Training*, July
1993, pp. 7-15.
25. Krueger, R. A. *Focus Groups: A Practical Guide*, for
Applied Research Newbury Park: Sage Publications, 1988.
26. Emory, C. W. and Cooper, D. R. *Business Research
Methods*. 4th Edition. Burr Ridge: Irwin, 1991.
27. Denzin. N. K. and Lincoln, Y. S. *Handbook
of Qualitative Research*. Thousand Oaks: Sage
Publications, 1994. Ch. 23, pp. 377-392.

28. Cortada, J . W., Ph.D. "Balancing Performance Measurements and Quality," Qualify Digest. December 1994, pp. 48-54.

29. Myers, J. and Jones, E. "Training Triumphs at Ames Department Stores," The Human Resources Professional. Spring 1990, p. 32. azine, June 1991, pp. 68-70. nel Journal, March 1993, pp. 100- 104. News, pp. 10- 11.

6 CHAPTER SIX Evaluation Design and Implementation

2. Neuman, W. L. *Social Research Methods*. Boston: Allyn and Bacon, 1991.
3. Davidove, E. A. "Evaluating the Return on Investment of Training," *Performance and Instruction*, 32 (1), 1993.
4. Emory, C. W. and Cooper, D. R. *Business Research Methods*, 4th Edition. Burr Ridge: Irwin, 1991.
5. Krein, T. J. and Weldon, K. C. "Making a Play for Training Evaluation," *Training and Development*, 48 (4), 1994.
6. Noonan, J. V. "How to Escape Corporate America's Basement," *Training*, 30 (12), 1993. 7. Dobbelaere, A. G. and Goepfinger, K. H. "The Right Way and the Wrong Way to Set Up a Self-Directed Work Team," *The Human Resources Professional*, Winter 1993, pp. 31-35. 8. Moseley, J. L. and Larson, S. "A Qualitative Application of Kirkpatrick's Model for Evaluating Workshops and Conferences," *Performance and Instruction*, 33 (8), 1994. 9. Paquet, B. et al. "The Bottom Line," *Training and Development Journal*, May 1987.
10. Carnevale, A. P. and Schulz, E. R. "Return on Investment: Accounting for Training," *Training and Development Journal*, July 1990, p. S1-S32. Lea Publishers: Hillsdale, New Jersey, 1991.

7 CHAPTER SEVEN Measuring the Total Human Resources Effort

1 . Fitz-enz, J. How to Measure Human Resource Management. New York: McGraw-Hill. 1984.

2. Fitz-enz, J. SHRM/Saratoga Institute Human Resource Effectiveness Survey: 1994 Annual Report. Saratoga, CA: Saratoga Institute, 1995.

3. Cummings, L. L. and Staw, B. M. Evaluation and Employment in Organizations. Greenwich: JAI Press. Inc.. 1990.

4. Cotton, J. L. and Tuttle, J. M. "Employee Turnover: A Meta-Analysis and Review with Implications for Research," Academy of Management Review, 11 (1), 55-70, January 1986.

5. Taylor, T., CPM. "The True Cost of Turnover and How to Prevent It," Journal of Personnel Management, November/December 1993, pp. 20-22.

6. Cranny, C. J., Smith, P. C., and Stone, E. F. Job Satisfaction. New York: Lexington Books, 1992, pp. 165-194.

7. Smith, P. C., Kendall, L. M., and H u h , C. L. The Measurement of Satisfaction, Involvement in Work and Retirement. New York: Wiley, 1969.

8. Cranny, C. J., Smith, P. C., and Stone, E. F. Job Satisfaction. New York: Lexington Books, 1992.

9. Mowday, R. T., Porter, L. W., and Steers, R. M. Employee-Organization Linkages: The Psychology of Commitment, Absenteeism, and Turnover: New York: Academic Press, 1982.

10. Drucker, P. F. "How to Measure White-Collar Productivity," The Wall Street Journal, November 26, 1985, p. 34.

11 . Fitz-enz, J. SHRM/Saratoga Institute Human Resource Effectiveness Survey: 1994 Annual Report. Saratoga, CA: Saratoga Institute, 1995.

8 CHAPTER EIGHT Measuring Specific Human Resources Functions

1. Noe, R. A., Hollenbeck, J. R., Gerhart, B., and Wright, P. M. *Human Resource Management*. Burr Ridge: Irwin, 1994.
2. Phillips, J. J. "Return on Investment-Beyond the Four Levels," In E. Holton (Ed.) *Advances in HRD 1995 Conference Proceedings*, 1995.
3. Pulley, M. L. "Navigating the Evaluation Rapids," *Training & Development*, September 1994, pp. 19-24.
4. Phillips, J. J. *Handbook of Training Evaluation and Measurement Methods*, 2nd Edition. Houston: Gulf Publishing, 1991.
5. Phillips, J. J. (Ed.) *Measuring Return on Investment*. Alexandria: American Society for Training and Development, 1994.
6. Wilson, T. B. *Innovative Reward Systems for the Contemporary Workplace*. New York: McGraw-Hill, Inc., 1995.
7. Berlet, K. R. and Cravens, D. M. *Performance Pay: A Competitive Weapon: A Compensation Policy Model for the 1990s*. New York: John Wiley & Sons, Inc., 1991.
8. Schuster, J. R. and Zingheim, P. K. *The New Pay: Linking Employee Individual Organizational Performance*. New York: Lexington Books, 1992.
9. Thompson, R. "Benefit Costs Surge Again." *McGraw-Hill Business*, February 1993. p. 38-39.
10. Ivancevich, J. M. *Human Resource Management*. Chicago: Irwin, 1995.
11. Ettorre, B. "Will Unions Survive." *Management Review*, August 1993, pp.
12. Miner, J. B. and Crane, D. P. *Human Resource Management: The Strategic Perspective*. New York: HarperCollins College Publishers, 1995.
13. Forrer, S. E. and Leibowitz, Z. B. *Using Computers in Human Resources: How to Select and Make the Best Use of Automated HR Systems*. San

Fran- cisco: Jossey-Bass, 1991. 9-15.

9 CHAPTER NINE Using Benchmarking to Measure HR Effectiveness

1. Spendolini, M. J. The Benchmarking Book. New York: AMACOM, 1992.
2. Fitz-enz, J. SHRM/Strategic Human Resource Development Survey: 1994 Annual Report. Saratoga, CA: Saratoga Institute. 1995.
3. Blackburn, R. and Rosen, B. "Total Quality and Human Resources Management: Lessons Learned from Baldrige Award-Winning Companies." *Academy of Management Executive*, 1993 Vol. 7. No. 3.
4. Ford, D. J. "Benchmarking HRD." *Training*, December 1993, pp. 36-41.
5. Fitz-enz, J. "How to Make Benchmarking Work for You," *HR Magazine*, December 1993, pp. 40-47.
6. Hequet, M. "The Limits of Benchmarking." *Training*, February 1993, pp. 36-41.
7. Scovel, K. "Learning from the Masters," *Human Resource Executive*, May 1991, pp. 1, 28-29.
8. Karlof, B. & Ostblom, S. *Benchmarking: A Signpost to Excellence in Quality and Productivity*. New York: John Wiley and Sons, Inc.. 1993.
9. Ogilvie, T. J. "Lost in Space: Typical Benchmarking Problems," *Management Review*: September 1993, pp. 20-22.
10. Camp, R. C. *Benchmarking: The Single Best Practice for Learning from the Best*. Milwaukee: ASQC Quality Press. 1989. pp. 36-41.

10 CHAPTER TEN Human Resources Costs

1. Greer, C. R. Strategy and Human Resources: A Geierman's Management Process.
2. Geber, B. "GAO Says IRS Training," Training. June 1990. pp. 16, 21.
3. Thompson, R. "Benefit Costs Surge Again," National Business, February
4. Cascio, W. F. Costing Human Resources. 3rd Edition. Boston: PWS-Kent,
5. Phillips, J. D. "The Price Tag on Turnover." Personnel Journal, December
6. Schoepfel, C. "Turning Down Manager Turnover." In Measuring Human Resource Investment. J. J. Phillips. (Ed.) Alexandria: American Society for Training and Development, 1994, pp. 213-234.
7. "No-shows Cost in Lost Productivity and Service." Management Science. December 1993. p. 66. Levine. Englewood Cliffs: Prentice Hall, 1995. pp. 38-39. 1991. 1990. pp. 58-61.
8. Cascio, W. E. Managing Human Resources: Productivity Quality of Work
9. Karasek, R. and Theorell, T. Healthy Work. New York: Basic Books, 1990.
10. Kotter, J. P. and Heskett, J. L. Corporate Culture and Performance. New
11. Cranny, C. J. and Smith, P. C. Job Satisfaction. New York: Lexington
12. Rust, R. T., Zoharik, A. J., and Kenningham, T. L. Return on Quality. Life, Profits, 4th Edition. New York: McGraw-Hill, Inc., 1995. York: The Free Press, 1992. Books, 1992. Chicago: Probus Publishing Company, 1994.

11 CHAPTER ELEVEN Data Analysis and Interpretation

2. For additional information, see Makridakis, S. 1989. *Forecasting Methods and Applications* (5th Ed.). New York, NY: Wiley.
3. Zigon, J. "Performance Management Training," In *Action: Measuring Return on Investment*. Vol. I.. J. J. Phillips. Ed. Alexandria: American Society for Training and Development, p. 262.
4. Graham, M., Bishop, K., and Birdsong, R. "Self-Directed Work Teams," In *Action: Measuring Return on Investment*, Vol. I., J. J. Phillips, Ed. Alexandria: American Society for Training and Development, p. 105.
5. Rust, R. T., Zahorik, A. J. and Keiningham, T. L. 1994. *Return on Quality: Measuring the Financial Impact of Your Company's Quest for Quality*. Chicago: Probus Publishers.
6. Crosby, P. B. *Quality Is Free*. New York: New American Library, 1979.
7. Zemke, R. "Cost of Quality: You Can Measure It," *Training*, August 1990,
8. Zemke, R. "Cost of Quality: You Can Measure It," *Training*, August 1990, p. 62.
9. Rust, R. T., Zahorik, A. J. and Keiningham, T. L. 1994. *Return on Quality: Measuring the Financial Impact of Your Company's Quest for Quality*. Chicago: Probus Publishers. pp. 62-63.
10. Townsend, P. L. *Commit To Quality*. New York: John Wiley, 1991.
11. Martocchio, J. J. "The Financial Cost of Absence Decisions," *Journal of*
12. Creery, P. T. and Creery, K. W. *Reducing Labor Turnover in Financial*
13. Hom, P. W. and Griffeth, R. W. *Employee Turnover*; Cincinnati, Ohio:
14. *The Economist Guide to Business Numeracy* New York:

John Wiley &

15. Anderson, D. R., Sweeney, D. J., and Williams, T. A. Introduction to Statistics-

16. Bobko, P. Correlation and Regression. New York: McGraw-Hill, Inc., 1995.

17. Levin, J. and Fox, J. A. Elementary Statistics in Social Research, 5th Edition-

18. Crossen, C. Tainted Truth: The Manipulation of Fact in America. New

19. Dewdney, A. K. 200% Nothing. New York: John Wiley & Sons, Inc., Management, March 1992, pp. 133-152. Institutions. New York: Quorum Books, 1988. South-Western College Publishing, 1995. Sons, Inc., 1993. Statistics Concepts and Applications. St. Paul: West Publishing Company, 1991. Edition. New York: Harper & Row, Publishers, 1994. York: Simon & Schuster, 1994. 1993.

12 CHAPTER TWELVE Communication of HR Program Results

1. Schuler, R. S. "Repositioning the Human Resource Function: Transformation or Demise?" *Academy of Management Executive*, 1990, Vol. 4, No. 3, pp. 49-60.
2. Anthony, P. and Norton, L. A. "Link HR to Corporate Strategy," *Personnel Journal*, April 1991, pp. 75-86.
3. Majors, G. and Sinclair, M. J. "Measure Results for Program Success." *HR Magazine*. November 1994, pp. 57-61.
4. Hinrichs, J. R. "Commitment Ties to the Bottom Line," *HR Magazine*. April 1995, pp. 44-48.
5. Witzling, L. P. and Greenstreet, R. C. *Presenting Statistics*. New York: John Wiley & Sons, 1989. 51-53.
6. Gross, W. D. "Pump Up HR Productivity!" *Personnel*. August 1989, pp. 199-201, pp. 77-80. Wiley & Sons, 1989. 51-53.