The HR Competency Study 2015

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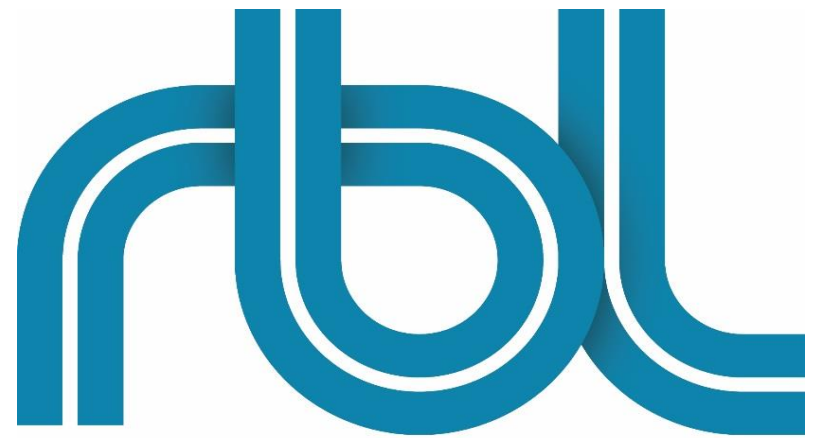
22 Regional Partners

The Most Comprehensive Assessment of HR Competence

History:
- Conducted jointly by RBL/University of Michigan and regional partners
- Data collection seven times since 1987
- The most comprehensive and rigorous empirical review of HR competencies and outcomes

Composition:
- Global participation
- Small, medium, and large firms
- Good mix of industries
- 360° methodology
- Factor analytic approach to competency identification

90k

Participants (thousands)

1987 → 2016

Total participants

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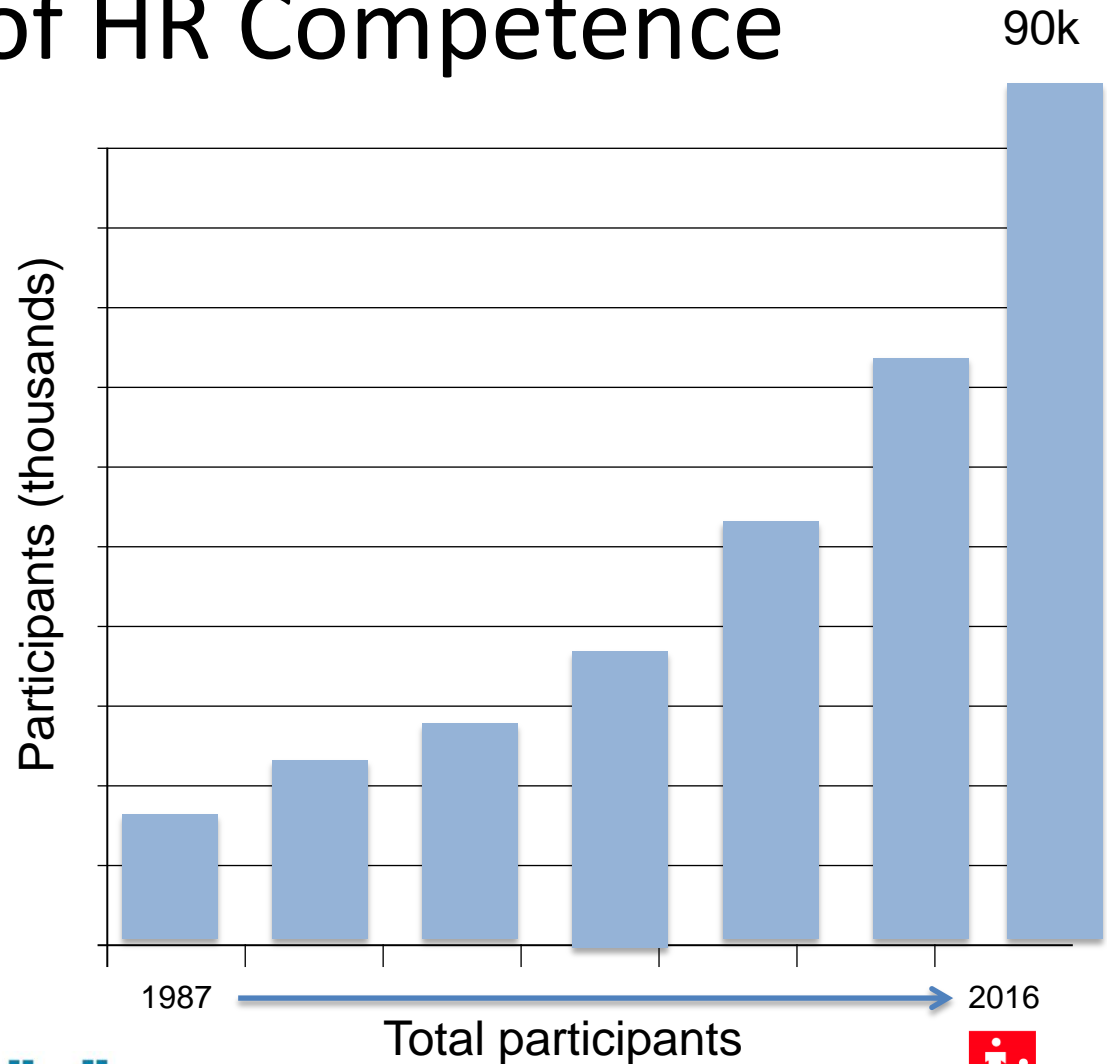
2016 HRCS – Key takeaways

- What the HR department does seems more important than who the HR department has
- Paradox Navigator central concept and competency
- Substantial difference of perceived value internal vs external stakeholders – competencies as well as activities
- Only minor differences between continents
- Femalization of the HR profession continues
- «Other» ratings are important for studies of HR competencies

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How Does HR Create Value for the Business?

Individual HR Professional Level

Perceived competencies of HR professionals

Demographics of HR professional

Perceived performance of HR professional:
- Overall effectiveness
- Value created for the organization's stakeholders by the HR professional

HR Department Level

Overall competency level in the HR department

Activities of the HR department

Perceived performance of HR department:
- Value created for the organization's stakeholders by the HR department

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Measures to Explain Performance

- **Perceived HR Competencies of HR Participants**
  Ratings from 360 feedback from supervisors, subordinates, HR associates and non-HR associates

- **Demographics of HR Participants**
  Measures that indicate various characteristics of the HR participant such as years of experience, educational background, etc.

- **Overall Competency Level in the HR Department**
  Average HR competencies of the HR professionals in the department

- **Activities of HR Departments**
  The practices and activities HR departments utilize in their efforts to align internal HR with the strategy of the business

- **Other Variables**
  The strategy of the business, the culture of the organization, and so forth.
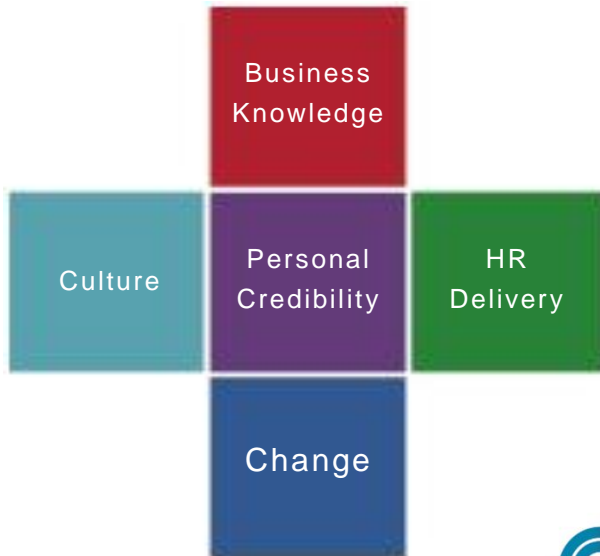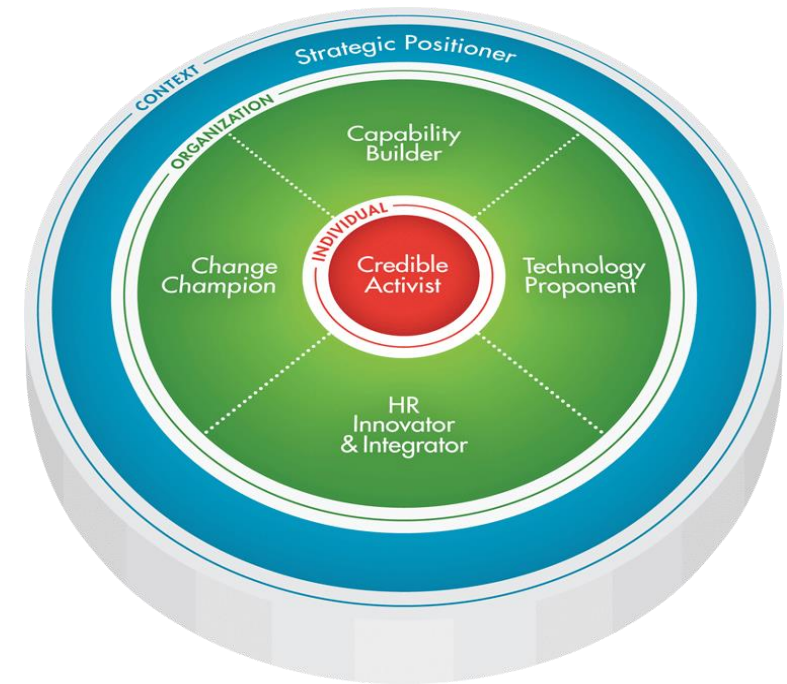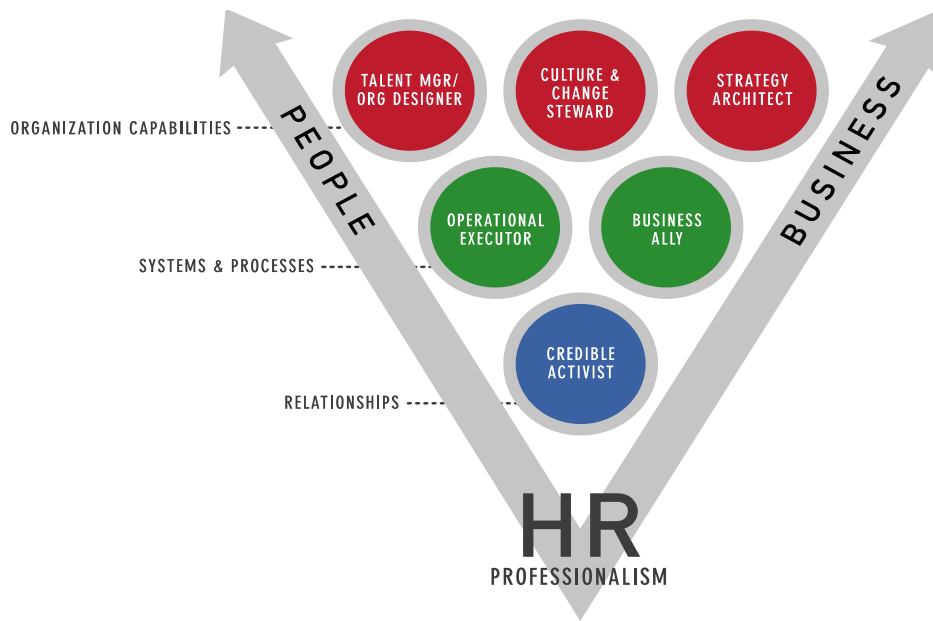
HRCS Research Evolution

2007 and 2012 HR Competencies

The Perceived Competencies of HR Professionals
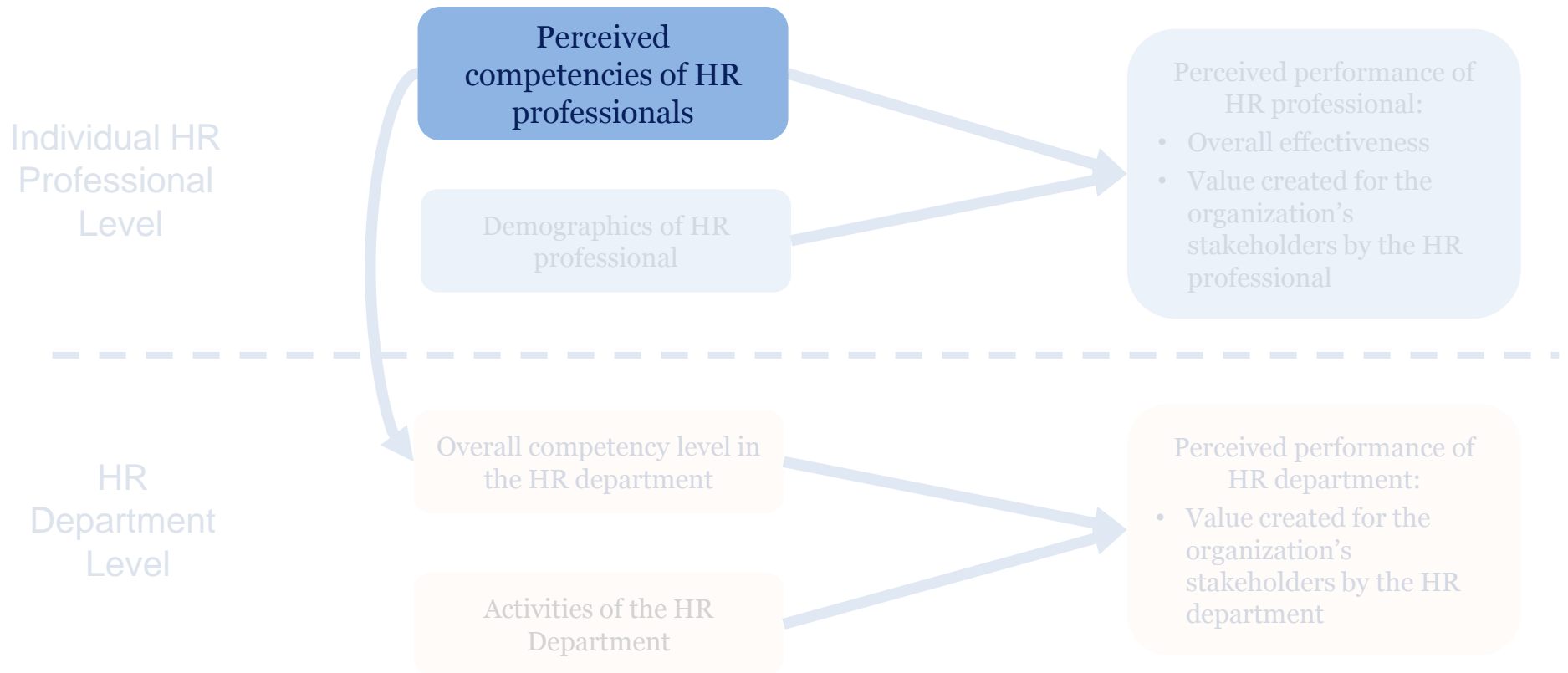
2016 HR Competency Model

How HR Competencies Impact Perceived HR Participant Performance
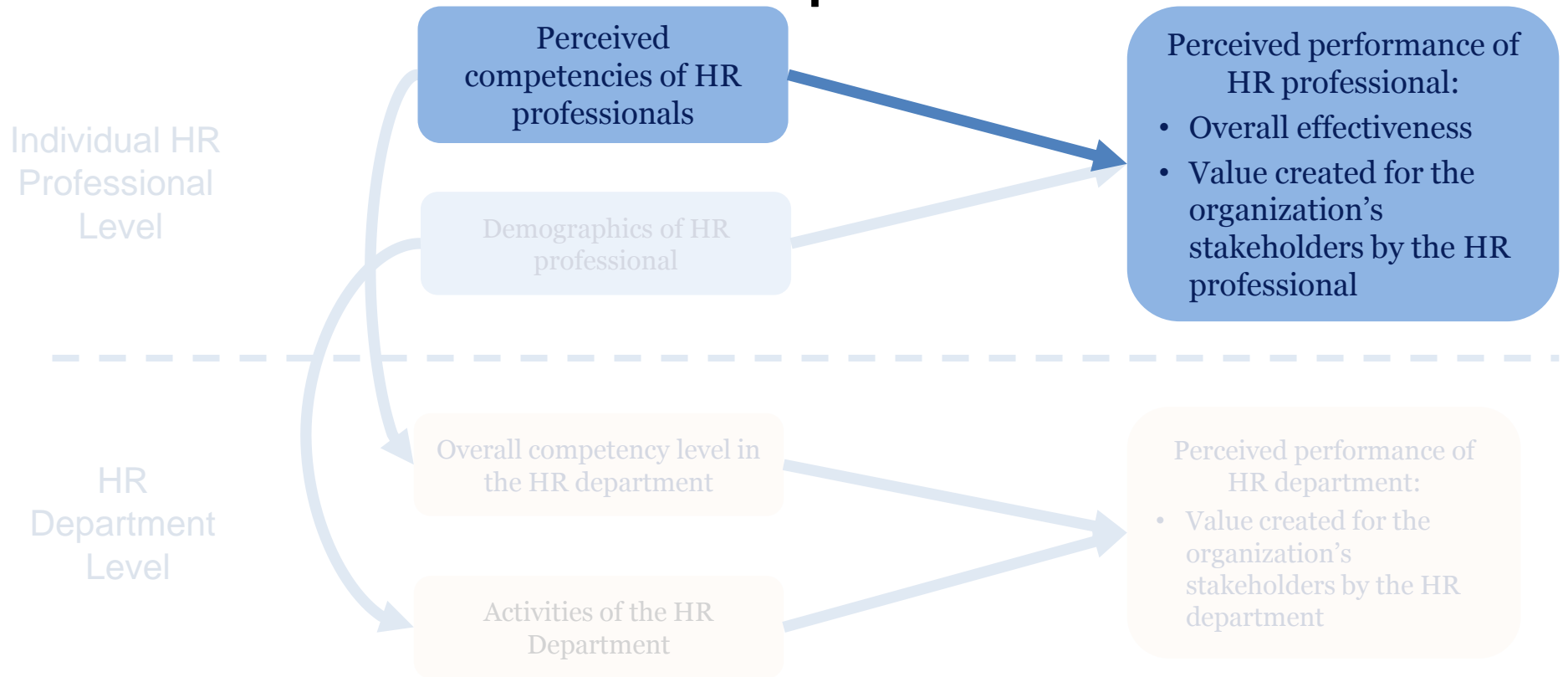
Overall Effectiveness of HR Professional

Purpose: show how much of overall individual effectiveness is explained by different categories of data from the perspective of different rater types*

	1 All Respondents*	2 Self (HR Participants)	3 Supervisor Ratings	4 HR Associates	5 Non-HR Associates
HR Professional Competencies	59.4	6.2	37.9	42.3	27.4
HR Professional Demographics	33.1	68	48.7	43.2	55.6
Other variables (e.g., HR Department Activities, Business Strategy)	7.5	25.5	13.4	14.5	17
Multiple Regression adj. R^2	.621	.138	.309	.408	.354

These rows sum to 100%, representing the percentage of expl_____ _____ in the model that can be explained by each variable category

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Relationship Each HR Competency vs Overall Individual Effectiveness

Purpose: show how much of overall individual effectiveness can be explained by each competency domain if we assume that no other competencies exist*

	1 Percentage of Overall Effectiveness Explained by each Competency Domain	**2** Scale column 1 to 100% to illustrate the relative size of each row
Strategic Positioner	47.8	14.3
Credible Activist	47.4	14.2
Paradox Navigator	41.7	12.5
Culture and Change Champion	48.2	14.5
Human Capital Curator	41.3	12.4
Analytics Designer and Interpreter	30.4	9.1
Total Rewards Steward	25.2	7.6
Technology and Media Integrator	19.3	5.8
Compliance Manager	32.2	9.7
	Total	100

These results are based on the bivariate correlations (R^2) between each competency domain and the perceived overall effectiveness of the HR professional

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Independent Impact Each HR Competency on Overall Individual Effectiveness

Purpose: show how much of overall individual effectiveness can be explained by each competency domain when we account for the other competency domains at the same time*

	Percentage of Overall Effectiveness Explained by each Competency Domain (100%)
Strategic Positioner	16.8
Credible Activist	60.6
Paradox Navigator	3.7
Culture and Change Champion	10.7
Human Capital Curator	4.5
Analytics Designer and Interpreter	0.6
Total Rewards Steward	2.6
Technology and Media Integrator	0.6
Compliance Manager	0.1
Total percentage explained by competencies	*59.4*

These results show the percentage of variance in individual effectiveness explained by each of the competency domains (scaled to 100%)

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Independent Impact of Each HR Competency vs Value Created for Stakeholders by HR Participant

Purpose: show how much of the value created for different stakeholders can be explained by each competency domain when we account for the other competency domains at the same time*

	1 External Customers	2 Investors/ Owners	3 Communities	4 Regulators	5 Line Managers	6 Employees
Strategic Positioner	61.3	78.3	36.2	52.1	10.9	5.4
Credible Activist	14.9	2.9	24.4	0.0	51.1	73.2
Paradox Navigator	2.0	1.8	7.9	3.0	5.0	2.7
Culture and Change Champion	14.7	5.6	21.8	0.3	6.7	11.5
Human Capital Curator	1.4	5.2	0.3	0.0	14.4	3.2
Analytics Designer and Interpreter	1.3	4.8	1.3	8.6	0.4	3.2
Total Rewards Steward	2.1	1.2	5.9	3.3	6.2	0.3
Technology and Media Integrator	2.2	0.0	2.0	0.4	4.4	0.0
Compliance Manager	0.1	0.2	0.2	32.2	0.8	0.5
Percent of value explained by all competency domains together	*51.9*	*53.4*	*50.8*	*41.2*	*58.6*	*63.1*

These results show the percentage of variance in value for stakeholders explained by each of the competency domains (scaled to 100%), cells larger than 10% highlighted for visual emphasis

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How Individual Demographics Impact Perceived HR Participant Performance

Individual HR Professional Level

Perceived competencies of HR Professionals

Demographics of HR professional

Perceived performance of HR professional:
- Overall effectiveness
- Value created for the organization's stakeholders by the HR professional

HR Department Level

Overall competency level in the HR department

Activities of the HR Department

Perceived performance of HR department:
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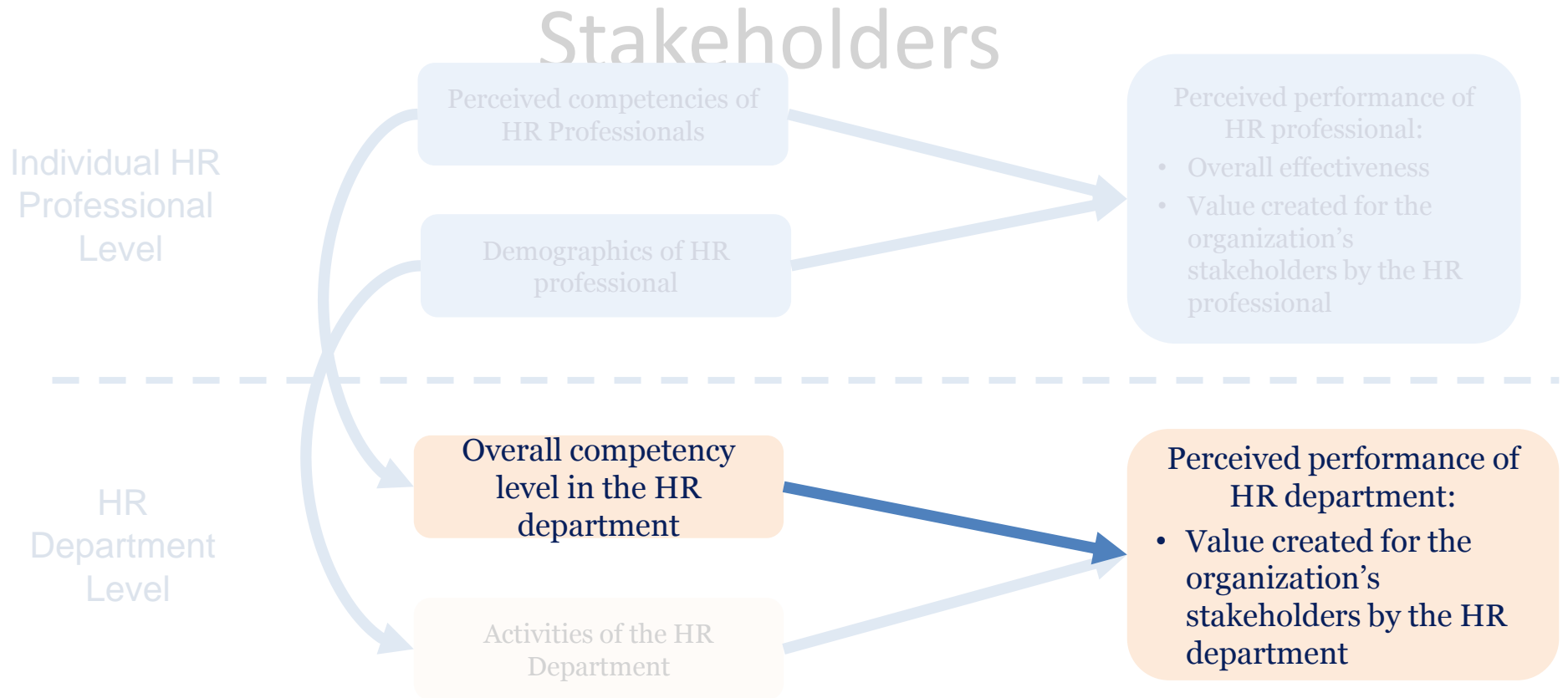
Independent Impact Demographic Measure vs Perceived Performance of the HR Participant

Purpose: show how much of the value created for different stakeholders can be explained by different measures of HR participant demographics when we account for the other measures at the same time*

	1 Overall Effectiveness	2 External Customers	3 Investors/ Owners	4 Communities	5 Regulators	6 Line Managers	7 Employees
Number of languages spoken	0.3	0.1	0.0	0.3	0.2	2.2	0.7
Number of different Non-HR positions held in the past	0.2	1.8	3.6	0.0	0.3	0.4	1.7
Number of different HR positions held in the past	7.7	1.9	2.9	2.9	6.6	2.3	6.3
Total years of work experience	0.8	4.4	3.4	1.8	1.1	3.1	0.5
Number of different organizations worked for in past	7.0	7.0	6.4	12.8	17.2	3.4	3.9
Current job level	22.0	25.1	27.6	14.3	16.1	17.4	12.4
Formal education	21.8	21.2	21.6	20.3	25.3	21.6	26.7
Gender	2.7	0.0	0.1	0.0	0.7	0.4	3.1
Currently an Expatriate	3.1	1.3	4.1	0.5	3.5	2.7	0.0
Primary role in the organization	30.0	35.2	28.1	46.3	26.4	42.4	39.2
Number of formal HR certifications	4.6	1.9	2.1	0.8	2.8	4.1	5.4
Total Percentage explained by demographic variables	*35.9*	*34.6*	*38.0*	*36.3*	*26.2*	*26.8*	*35.9*

These results show the percentage of variance in individual performance explained by each type of demographic measure (scaled to 100% cells larger than 10% highlighted for visual emphasis

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How Department Competencies Impact Value HR Department Creates for

Stakeholders

Individual HR Professional Level

Perceived competencies of HR Professionals

Demographics of HR professional

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HR Department Level

Overall competency level in the HR department

Activities of the HR Department

Perceived performance of HR department:
- **Value created for the organization's stakeholders by the HR department**

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Compare Individual and Department

HR Professionals

	1 External Customers	2 Investors/ Owners	3 Communities	4 Regulators	5 Line Managers	6 Employees
HR Professional Competencies	51.9	53.4	50.8	41.2	58.6	63.1
HR Professional Demographics	35.9	34.6	38.0	36.3	26.2	26.8
Other Variables	12.2	11.9	11.2	22.6	15.2	10.1
Multiple Regression adj. R^2	*0.579*	*0.557*	*0.533*	*0.481*	*0.566*	*0.590*

HR Departments

	1 External Customers	2 Investors/ Owners	3 Communities	4 Regulators	5 Line Managers	6 Employees
HR Professional Competencies	24.8	15.3	22.0	33.5	10.0	7.6
Activities of HR Departments	59.1	69.2	76.6	39.5	89.2	89.6
Other Variables (e.g. strategy, culture)	16.1	15.5	1.5	27.0	0.8	2.8
Multiple Regression adj. R^2	*0.481*	*0.424*	*0.364*	*0.283*	*0.485*	*0.570*

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How Department Characteristics Impact HR Department Value Created for

Stakeholders

Individual HR Professional Level

Perceived competencies of HR Professionals

Demographics of HR professional

Perceived performance of HR professional:
- Overall effectiveness
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HR Department Level

Overall competency level in the HR department

Activities of the HR department

Perceived performance of HR department:
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Five Activities of HR Departments

HR Department Activity	Mean
Employee Performance HR Practices	3.52
Integrated HR Practices	3.92
HR Analytics Practices	3.56
HR's Involvement with Information Management	3.47
Organizational Capabilities	4.06

Value HR Department Creates for Stakeholders

Purpose: show how much of the value created for different stakeholders by the HR department can be explained by different categories of data*

	1 External Customers (100)	2 Investors/ Owners (100)	3 Communities (100)	4 Regulators (100)	5 Line Managers (100)	6 Employees (100)
HR Professional Competencies	24.8	15.3	22.0	33.5	10.0	7.6
Activities of HR Departments	59.1	69.2	76.6	39.5	89.2	89.6
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