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Modeling HRM in Context: Examining the Role of Human Resource Manager Discretion.

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**MODELING HRM IN CONTEXT: EXAMINING THE ROLE OF HUMAN
RESOURCE MANAGER DISCRETION**

A Dissertation

**Submitted to the Graduate Faculty of the
Louisiana State University and
Agricultural and Mechanical College
in partial fulfillment of the
requirements for the degree of
Doctor of Philosophy**

in

The Interdepartmental Program in Business Administration

by

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August, 1997**

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DEDICATION

This work is first dedicated to my husband, Robert Schultz, who has been a constant source of love and support throughout the past five and a half years. Robert has been my biggest fan, my cheerleader, and an invaluable friend. Most importantly, he has shown me that together, all things are possible.

This work is also dedicated to my parents, Gene and Sherry Blanton. Their unwavering dedication to all my hopes and dreams has made many things possible that might have never been.

Finally, this dissertation is dedicated to the memory of my little brother, Jeremy Steven Blanton, who ALWAYS told me that I was smart.

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ABSTRACT

This dissertation presents a model focusing on human resource manager discretion and its role in influencing variations in HRM. Discretion, defined here as the latitude of action of human resource managers, is suggested as an important means of accounting for differing levels of constraint facing the HRM function. Because the model developed here focuses on discretion as a characteristic which is common to theories of choice and environmental determinism in organizational research, it is designed to stimulate future research that simultaneously considers predictions of HRM structure and content that have, to this point, been considered contradictory. In general, the results of the analyses presented indicate some support for the model of human resource manager discretion. In particular, a study of 104 organizations found that variables in three categories, environment, organization, and manager, each play some role in explaining one of the three indicators of human resource manager discretion proposed in this study. Further, this study found some support for the proposed relationship between human resource manager discretion and variations in human resource management practices across organizations, indicating that human resource manager discretion appears to be a consequential variable in organizations that deserves further study.

CHAPTER ONE

INTRODUCTION AND LITERATURE REVIEW

Over the past several decades, human resource management (HRM) has evolved from a largely record-keeping, maintenance function to one of purportedly more strategic importance (e.g., Butler, Ferris, & Napier, 1991). There are a number of plausible explanations for the growing importance of human resource management (Wright, 1991). First, the competitive advantage that many international competitors hold over their U.S. counterparts appears to be the result of their strategic use of human resources and the differential effectiveness in HRM enjoyed from this synergy. More generally, top managers are recognizing that any sustainable competitive advantage requires significant human resource support. As an example, researchers have suggested (e.g., Aaker, 1989) that commonly identified competitive advantages, reputation for quality, for example, requires a rethinking of the traditional way of managing human resources. Further, the growth of service industries, where up to ninety percent of operating expenses are spent on human resources, highlights the importance of carefully managing these resources and their accompanying costs (Wright, 1991).

Concurrently, research in human resource management, while traditionally micro-analytic, has begun to recognize the importance of macro-level influences on the structure and content of human resource management practices. Until recently, human resource management research, strongly influenced by the discipline of industrial and organizational psychology, has focused on the individual level of analysis (Ferris & Judge, 1991). Prototypical studies in human resource management have focused on

selecting the best job candidate, training employees to increase their knowledge and skill levels, and linking performance with rewards to increase motivation (Dobbins, Cardy, & Carson, 1991).

Now, a growing area of macro HRM is being explored as a potential new source of ideas and methodological techniques (Jennings, 1994). Characteristic of this research is a concern about a lack of knowledge regarding those organizational and environmental characteristics that have consequences for HRM practices, policies, and systems (e.g., Jackson, Schuler, & Rivero, 1989; Jackson & Schuler, 1995). Furthermore, it has been noted that a better understanding of these macro factors (e.g., those internal and external pressures, constraints, and facilitators associated with the use of various human resource management practices) would be an important supplement to extant micro research, which has focused on the technical aspects of various human resource management practices (Tannenbaum & Dupuree-Bruno, 1994). Generally, then, research in human resource management, while traditionally micro-analytic, has begun to recognize that an understanding of the macro-level influences on the structure and content of HRM practices is essential to the future status of theory and research in HRM.

Many different perspectives have begun to receive attention in efforts to understand this "macro" aspect of human resource management. Among these perspectives is the international perspective, the political influence perspective, the strategic perspective, the institutional perspective, as well as information processing and utility analysis. While each perspective raises different issues and considerations, two of the most prominent and most researched perspectives in macro HRM research, strategic

human resource management and institutional theory (e.g., Wright & McMahan, 1992; Jennings, 1994), are specifically concerned with issues related to choice and determinism, an important source of debate for several decades in the organizational literature (Child, 1972; Montanari, 1978; Romanelli & Tushman, 1986).

Given its focus, much of the research in macro HRM has focused primarily on investigating the relationship between certain contextual factors (e.g., strategy, technology, task environment) and HRM structure. There have been few attempts to identify any common or complementary characteristics among these macro perspectives of HRM. In fact, the seeming incompatibility of choice and determinism in explaining the structure and content of HRM has often resulted in mutually exclusive, albeit parallel research (e.g., Thomas & Peyrefitte, 1996). This has particularly been the case in HRM research, despite calls for "mutually exclusive" streams of research to be considered concurrently (e.g., Hrebiniak & Joyce, 1985). The purpose of this dissertation, therefore, is to identify and model a managerial characteristic with suggested, but not demonstrated, importance in previous macro theories of HRM: human resource manager discretion. While theories of choice and determinism have continued to assume / deny the role of manager discretion in explaining organizational action, the concept of discretion has yet to be addressed in the area of HRM.

The primary contribution of this dissertation, then, is the development of a model focusing on human resource manager discretion and its role in influencing variations in HRM. The underlying question being addressed in this dissertation is: Does human resource manager discretion make a contribution to our understanding of

the determinants of human resource management practices across organizations?

Because the model developed here focuses on a characteristic that is common to theories of choice and environmental determinism in organizational research, it is designed to stimulate future research that simultaneously considers predictions of HRM structure and content that have, to this point, been considered contradictory. This model is presented as a point of departure for an empirical examination of the conditions that best explain the structure and content of human resource management practices. To place this dissertation in the literature, a brief review of strategic choice and external control perspectives and the role of discretion in these perspectives will be provided.

Discretion, Environmental Determinism, and Choice

An important part of the choice - determinism debate in the organizational literature is the question of whether managers matter (Hambrick & Finkelstein, 1987; Hitt & Tyler, 1991). This question points to the direct importance of managerial discretion in theories of strategic choice and external control. As mentioned previously, whereas both of these theoretical perspectives make assumptions about the role of managerial discretion, previous research has yet to address the role of discretion in studies of HRM structure. Each of the perspectives will be detailed, and the corresponding literature in HRM will be addressed.

Environmental Determinism

The first theoretical perspective, the external control perspective, grants primary influence to the environment and very little to managers. External control proponents assume that managers have little or no discretion. In particular, these theorists tend to

view managers as "unimportant, inactive, or at most symbolic" (Hitt & Tyler, 1991: 327). The external control perspective emphasizes definite limits to managerial discretion and to the ability of organizations to adapt to different niches within the environment (Aldrich, 1979). The argument, then, is that organizations are largely constrained by the external environment. The organizational literature is replete with deterministic contingency theories in which the "role of human choice is relegated to a place quite secondary" to the imperatives of the environment (Bourgeois, 1984: 586). Such theories suggest a variety of environmental contingencies that constrain organizational choices. For example, previous organizational literature has suggested environmental turbulence (Burns & Stalker, 1961; Lawrence & Lorsch, 1967), technological processes (Perrow, 1967; Woodward, 1965), size and ownership (Blau, 1970), natural selection processes (Aldrich, 1979; Hannan & Freeman, 1977, 1984), and institutional norms (DiMaggio & Powell, 1983; Meyer & Rowan, 1977; Zucker, 1977, 1988) as important environmental contingencies. In essence, theories of environmental determinism postulate that the design of an organization follows more or less automatically from the degrees of variation and complexity presented by the environment (Dill, 1958; Duncan, 1972). Bourgeois (1984) pointed out that what deterministic perspectives do is assume that contextual constraints are binding in their effects, and that these constraints dramatically reduce the range of organizational response alternatives.

In human resource management research, the external control perspective is most often represented by studies from the institutional perspective, which focus attention on

institutional correlates of human resource management practices. Institutional factors include laws and regulations, as well as the content of everyday interactions between members of the human resource profession. A central assertion of the institutional perspective is that organizations in institutional environments are pressured to become similar (Meyer & Rowan, 1977), emphasizing the role of conformity and habit and attributing power to the institutional environment, rather than to the firm's strategic direction (e.g., Oliver, 1991).

Previously, several researchers have relied on institutional theory to guide investigations of HRM (e.g., Jackson & Schuler, 1995; Wright & McMahan, 1992). Here context, rather than rational, proactive decision making, is the major explanation of both resistance to change, as well as to the adoption of innovative HRM practices (Jackson & Schuler, 1995). The institutional approach directs attention toward both the macro level of state structures and legal systems, as well as to the micro level of everyday interactions, where researchers have suggested that institutional practices and beliefs are translated into constraints on actions and "tool kits" that can then be used to construct and legitimate new courses of action (Davis & Powell, 1994). For example, many human resource management practices that are typically thought of as motivated by efficiency or strategic concerns may, in fact, be traced to an ongoing process in which the state has created broad rules about corporate behavior (Dobbin, Sutton, Meyer, & Scott, 1993).

Much of the institutional literature focuses on the concept of isomorphism, whereby organizations conform to the accepted norms of the population (DiMaggio &

Powell, 1983; Rowan, 1982). A central assertion of the institutional perspective is that organizations in institutional environments are pressured to become similar (Meyer & Rowan, 1977). These pressures to become increasingly similar may stem from environmental constraints (Meyer & Rowan, 1977; DiMaggio & Powell, 1983), or they may come from network ties with other organizations that make changing any one element difficult without changing other interconnected elements (Zucker, 1986).

According to DiMaggio and Powell (1983), there are three sets of processes that lead an actor (e.g., an organization or human resource management unit) to adopt some behavior or structure (e.g., to become more similar to one another): a) coercive forces that stem from political influence; b) mimetic changes that are responses to uncertainty, and c) normative influences, which result from professionalization. More specifically, coercive influence results from both formal and informal pressures exerted on organizations by other organizations or by government mandate. In the context of HRM, for example, the development of employment practices that have evolved in response to the Equal Employment Opportunity regulations serve as one example of how HRM practices have been imposed by external agents (Wright & McMahan, 1992). Mimetic changes are encouraged by uncertainty. That is, when organizational technologies are poorly understood, goals are ambiguous, or the environment is uncertain, organizations will often respond by modeling themselves after other organizations (Davis & Powell, 1994). Arguably, the ubiquity of certain practices can be credited more to mimetic processes than to any concrete evidence that the model or practice adopted enhances efficiency. The faddish nature of many HRM programs (e.g.,

quality circles) provides numerous examples of organizations implementing HRM practices in order to appear modern or professional. Thus, managerial fads and fashions ebb and flow because a few legitimate organizations become "fashion leaders" that are imitated by other organizations that view imitation as a low-risk way to gain acceptance (Abrahamson, 1991). Similarly, Tolbert and Zucker (1983) showed that institutionalization resulting from such imitation explained the rate at which civil service reform spread throughout the country at the turn of the century. Finally, normative influences often stem from the "culture of professionalization." For example, the growth of professional communities and the growth and elaboration of formal and informal professional networks that span organizations may lead to the development of organizational norms among professionalized managers and the spread of normative rules about organizational and professional behavior (Davis & Powell, 1994).

The development of institutional theory has led to significant insights into the importance of institutional environments to organizational structures and actions. More specifically, theory and research on institutionalization have generated valuable insights into the processes that define and explain institutionalization in organizational environments, as well as their influence on organizational conformity with the environment (Goodstein, 1994; Oliver, 1991). While early research on institutional theory focused primarily on institutional rules, myths, and beliefs as shared social reality (e.g., Selznick, 1949, 1957), more recent treatments of institutionalization have elaborated on the nature and variety of institutional processes (e.g., DiMaggio & Powell,

1983; Meyer & Rowan, 1977) and the range of influences that these processes exert on organizational characteristics (Scott, 1987; Singh, Tucker, & House, 1986).

In particular, much of the empirical work investigating institutionalization and human resource management issues has focused on the diffusion of governmental policies (e.g., Baron, Dobbin, & Jennings, 1986; Baron, Jennings, & Dobbin, 1988). Baron, Dobbin, and Jennings (1986), for example, examined the establishment of modern personnel practices by charting the transformation of the employment relationship in different industries during the second quarter of this century by focusing on the evolution of two sets of practices: (a) the increasing specialization and rationalization of work roles prompted by scientific management (e.g., time and motion studies, job analyses, job descriptions, and formalized job training), and (b) the adoption and extension of personnel practices to foster long-term employment and internal labor markets within firms (e.g., centralized hiring, firing, and promotion; salary classification; job ladders; and centralized personnel units).

In a more recent study, Dobbin, Sutton, Meyer, and Scott (1993) charted the roles of equal employment opportunity law, human resource managers, and the courts in "designating internal labor market (ILM) practices as appropriate means to the prevention of discrimination and to the efficient allocation of human capital"(397). Their findings indicate that organizations adopt internal labor market practices less in response to internal imperatives than in response to changes in the external legal environment. While many theorists have treated organizational structure as primarily

responsive to economic imperatives, Dobbin et al. (1993) found a strong influence of particular institutions found in the environment.

The institutional perspective, then, emphasizes the importance of the external environment for the structure and content of human resource policies and practices. An institutional perspective, then, on human resource management is likely to maintain that "once innovative features" will die out when people no longer believe they are an acceptable or legitimate investment (Jennings, 1994). Institutional arguments might also suggest that the basis for the adoption of human resource policies and practices is the establishment of the human resource management unit's "legitimacy" (Jennings, 1994). As seen here, previous research in human resource management suggests that the structure and content of human resource management, and in particular, the similarity of HRM practices across organizations, may be explained by an understanding of external influences, whether stemming from coercive forces, mimetic processes within industries, or the degree of interconnectedness within institutional environments.

Choice

The second perspective, the strategic choice perspective, assumes almost an infinite amount of managerial discretion. In particular, choice theorists emphasize the potential effects that managers can have on strategic decisions (Hitt & Tyler, 1991). These theorists posit that purposeful actions abound in organizations, and that organizational actors have substantial leeway in shaping their fates (Andrews, 1971; Child, 1972). Child (1972) argued, for example, that managerial actions have a strong influence on organizational responses to the environment. In this context, Child referred

to a manager's range of discretion, the "freedom of manoeuvre," and suggested that managers have different ranges of discretion in guiding their organizations along various courses. The strategic choice perspective argues that managers have the capability to exercise discretion over the design and alteration of organizational structures in response to environmental contingencies (Child, 1972). The strategic choice perspective, then, focuses on individual behavior to explain organizational processes; this focus on behavior assumes that organizational actors have the discretion to act of their own free will (Hambrick & Finkelstein, 1987). In general, then, three fundamental characteristics of the strategic choice perspective have been identified: (a) it views managerial or strategic choice as the primary link between an organization and its environment; (b) it focuses on management's ability to create, learn about, and manage the environment; (c) it encompasses the many ways that organizations respond to environmental conditions (Miles & Snow, 1978).

In the context of human resource management, the strategic choice perspective is best reflected in a line of research that has been labeled Strategic Human Resource Management (SHRM) (e.g., Dyer, 1985; Fombrun, Tichy, & Devanna, 1984; Lengnick-Hall & Lengnick-Hall, 1988; Schuler & Jackson, 1987a; Schuler & Jackson, 1987b; Schuler & Jackson, 1989; Schuler & MacMillan, 1984; Schuler & Walker, 1990; Tichy, Fombrun, & Devanna, 1982). SHRM, in particular, has elaborated on the ways in which human resource managers can analyze the environment and the strategy of the firm, focusing on strategic intent as the determinant of human resource practices in organizations. The strategic choice perspective assumes that managers have the

discretion to make and execute decisions that change the direction and focus of the organization; similarly, the SHRM perspective assumes that human resource managers have the discretion to make and execute decisions that change the structure and content of HRM.

The work advocating "Strategic Human Resource Management" (SHRM) suggests that human resource managers should analyze their organization's environment, its strategy, and the "fit" between the two in designing human resource management practices (Jennings, 1994). A basic premise of SHRM is that organizations operating under different strategies require different HRM practices (Miles & Snow, 1984; Schuler & Jackson, 1987).

Over the past decade, SHRM research has directed attention toward acknowledging (1) the strategic importance of human resources and (2) human resource management's contribution to the strategic management process. Defined as "the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals" (Wright & McMahan, 1992: 298), SHRM represents a significant aspect of "macro" human resource management research. It has been suggested, in fact, that SHRM is the "baseline" approach to macro HRM (Jennings, 1994). The basic premise behind strategic human resource management research is that organizations can and should use human resources strategically, and, more importantly, that organizations operating under different strategies require different HRM practices, in regard to both their configuration and their content.

Research in SHRM has made numerous attempts to identify the determinants of human resource management practices (Dyer, 1984; Jackson, Schuler, & Rivero, 1989; Tichy, Fombrun, & Devanna, 1982) and to argue how and why HRM should be integrated into strategic business planning (Buller, 1989; Golden & Ramanujam, 1985). Perhaps the most important part of the research in SHRM proposes that certain human resource management practices should be associated with certain business strategies (Schuler & Jackson, 1987; Miles & Snow, 1984). The basic premise in this large part of the SHRM literature is that (a) successful implementation of a business strategy requires certain employee behaviors; and (b) HRM practices can be developed to elicit these behaviors; so that (c) firms that design HRM practices that are aligned with the demands of the intended strategy will gain an advantage over firms that do not. If this logic is correct, much of the systematic variation in human resource management practices across organizations should be explained by firm strategy.

Despite the interest that has been shown in SHRM (as evidenced by the large number of conceptual and practitioner-oriented articles), an important criticism of this research is its lack of a solid theoretical foundation to facilitate an understanding of either the role of human resource management in organizations or the determinants of various human resource management practices. It is important to recognize, however, that each of the models that has been suggested as a theoretical foundation for describing the HRM function in organizations (e.g., the behavioral perspective, the resource-based view of the firm, the cybernetic systems perspective, and the agency/ transaction cost theory) views human resource management as being determined solely by proactive,

strategically-intended decisions (Wright & McMahan, 1992). This perspective, is therefore, consistent with previous strategic choice literature focusing on the relationships between managers and organizational structure.

Summary

As detailed above, a central debate in the organizational literature revolves around the extent to which managers or environments exercise predominant influence over organizational outcomes (Romanelli & Tushman, 1986). The prevailing assumption in the organizational literature is that strategic and external control theories represent mutually exclusive, competing explanations of organizational adaptation (Hrebiniak & Joyce, 1985).

Recently, researchers have suggested that choice and determinism should be juxtaposed to develop an interactive view of organizational adaptation processes (Hrebiniak & Joyce, 1985). Specifically, Hrebiniak and Joyce (1985) argue that classifying organizational actions as either organizationally or environmentally determined is likely misleading and diverts research inquiry away from the true nature of relationships in organizations. Instead, they encourage the study of the interaction between voluntaristic and deterministic views of organizations; doing so, they argue, allows for an integration of disparate literatures in management.

Similarly, HRM researchers have generally adopted either a strategic choice perspective (e.g., SHRM) or an external control theory (e.g., institutional theory) to guide their investigations. Researchers subscribing to such disparate theoretical perspectives have often investigated the same phenomena (e.g., the structure and content

of human resource management) using different lenses (Thomas & Peyrefitte, 1996). Furthermore, when the perspectives are considered together, they have been generally portrayed as conflicting influences on the structure and content of human resource management practices. It has been argued, for example, that institutional forces often impede the coordination of human resource management practices toward some strategic end, such that institutional factors are often thought to explain those "non-strategic" or even those dysfunctional determinants of HRM practices. (Wright & McMahan, 1992).

Because choice and deterministic perspectives differ greatly in their fundamental assumptions, the task of identifying any complementarity may seem arduous. Despite this, however, theorists seem to agree that each perspective may be more useful in some circumstances than in others (Tushman & Romanelli, 1985; Wright & McMahan, 1992). In this context, the relevant question in the organizational literature is not whether managers matter at all, but whether they matter very much (and in what situations) (Gupta, 1984).

More specifically, Pfeffer and Salancik (1978) suggested that a more realistic perspective on organizational action would recognize that "organizational actors mold organizational activities, but do so within constraints that limit their discretion to take action" (245). To explicate such a perspective, they argue, it is necessary to develop a model that recognizes the extent to which a manager faces constraint in formulating action. At the root of such an effort is the identification of the factor(s) which may aid in our understanding of how and when choice or environmental determinism best describe organizational processes. Pfeffer and Salancik (1978) suggested that both the

"omnipotent administrator" and the "impotent administrator" are equally inaccurate representations of reality (245). Instead, it seems more likely that the discretion available to managers will vary across organizations and across performance criteria (Gupta, 1984).

Discretion, then, is likely to introduce the potential for variation in the degree of choice, awareness, and influence that organizations exhibit in response to environmental pressures (e.g., Oliver, 1991). Therefore, this dissertation will identify and model the role of human resource manager discretion, an important characteristic grounded in theories of choice and environmental determinism. An understanding of human resource manager discretion, its antecedents, and consequences, will provide a foundation for future research to discern the relative impact of strategic choice and environmental determinism in determining the structure and content of human resource management practices.

CHAPTER TWO MODEL DEVELOPMENT

In this chapter, a model of human resource manager discretion will be developed and presented. Based on the preceding review of the literature, this model provides a depiction of human resource manager discretion and its role in influencing the structure and content of human resource management practices across organizations.

Thompson's Contingency Theory

The previous chapter suggested that the notion of managerial discretion is potentially important in recognizing conditions under which managerial predispositions, or choice, become less important and environmental factors become more significant in influencing organizational structure. Work by Thompson (1967), which focuses on the nature of organizations and their interactions with the environment, provides insight into this process. Thompson's (1967) arguments have been extended in work by many organizational theorists, including institutional theory, and by human resource management theorists, though to a lesser extent (cf., Powell, 1988). The great influence of Thompson's work on later theory-building efforts in organizational research suggests the importance of considering its fundamental arguments as they pertain to human resource management. This is especially true because recent research in HRM has suggested that the relationship between the human resource function and its environment has not been adequately conceptualized or tested (Jennings, 1994).

Thompson (1967) identified a framework to examine organizations, portraying the basic problem of the organization as achieving rationality, despite an uncertain

environment. Specifically, while organizations are created to pursue some desired outcome, they are faced with technologies and environments that often limit their ability to plan and execute actions to achieve their goals. Many of the actions of organizations, then, can be understood as efforts to achieve a resolution between the forces of uncertainty and rationality. To resolve these issues, a central concern for managers becomes managing that uncertainty imposed by organizational interdependence with the environment. This is especially significant because Thompson suggests that the location of "discretionary positions" in the organization is determined by the need to regulate uncertainty.

According to Thompson, organizations cope with uncertainty by creating certain components specifically to deal with the uncertainty, while specializing those segments that operate under conditions of certainty or near certainty. Overall, Thompson suggests that organizations seek to manage environmental uncertainty or to increase predictability through two general strategies: (a) boundary spanning and (b) buffering.

Arguably, these concepts closely parallel the ways that HRM deals with its environment.

First, Thompson (1967) argued that organizations respond to uncertainty by setting up boundary spanning units to cope with specific contingencies; such structural units are specialized to face a limited range of contingencies within a limited set of constraints. The more constraints and contingencies the organization faces, the more its boundary-spanning component will be segmented (Thompson, 1967). Boundary-spanning activities, then, can either link organizations to other organizations or buffer them from environmental disturbances.

Thompson's (1967) arguments about boundary-spanning have been extended in later work by institutional and human resource management theorists (cf., Powell, 1988; Scott & Meyer, 1983). Although the term "boundary spanning" has not always been used to describe the roles carried out by the human resource management function, the concept has been applied to human resource management by various authors under various labels. For example, human resource management departments often carry out an "external analysis," which involves the analysis of such factors as government regulations, social values, and labor market conditions (Milkovich, Dyer, & Mahoney, 1983). Milkovich et al., (1983) describe a four step process in external analysis that is similar to the boundary spanning process described by Thompson (1967). In their model, the human resource management function monitors the environment, screens the information, communicates the results internally, and develops action plans. Similarly, Scarpello and Ledvinka (1988) give significant attention to the role of the human resource management function in helping the organization address issues in the employment and regulatory environments. Other human resource management research has employed the boundary spanning concept to describe the diffusion of human resource policies and practices. Normative pressures for the legalization of human resource policies and practices, for example, are frequently exerted through the boundary-spanning activities of personnel management professionals (Sutton, Dobbin, Meyer, & Scott, 1994).

Thompson (1967) also argued that organizations create buffers to protect their central or "core" technologies from the uncertainty associated with the external

environment. Specifically, interdependence with the environment, which may be "uncooperative," will lead organizations to try to achieve predictability and self control through buffering. Organizations seek to buffer environmental influences by surrounding their core with input and output components. On the input side, buffering may involve the stockpiling of materials and supplies acquired in an irregular market. Traditionally, buffering on the output side has taken the form of warehousing inventories and items in transit, which in turn, permits the technical core to produce at a constant rate, while distribution fluctuates with market conditions. In today's age of just-in-time inventory, buffering often takes the form of long-term supplier relationships to smooth changing market conditions.

An organization's human resources can arguably be conceptualized as components of a "core" technology that may require protection from the uncertainty associated with the external environment. While most often research has addressed the notion of buffers as they relate to manufacturing technology, uncertainty concerning the external environment (e.g., legal challenges from the government, challenges from unions, problems in acquiring skills) has played a no less important role in the development of employment institutions and the personnel bureaucracies for running them (Cappelli & Sherer, 1991). Thompson (1967) even suggested that the recruitment of dissimilar personnel and their subsequent conversion into reliable performers through training is an example of buffering on the input side. Certainly, the effects of the external environment are not always desirable for employers or employees, and both parties may have interests in reducing such effects by insulating employment from the

external environment (Capelli & Sherer, 1991). As such, an important goal of human resource management often involves buffering. Frequently, then, human resource managers strive to reduce the influence of the external environment over employment decisions such as compensation, job design, promotions, and skill acquisition (Cappelli & Sherer, 1991).

Based on the discussion herein, it seems that boundary-spanning and buffering are important "choice" variables that managers in general, and human resource managers in particular, may use to protect the organization from environmental uncertainty. At the same time, however, organizations must respond to a variety of environmental pressures and demands. As mentioned earlier, it is likely that realistic perspectives on organizational action should recognize that organizational actors mold organizational activities (e.g., through boundary spanning and buffering), but that they do so within constraints that limit discretion (Pfeffer & Salancik, 1978). An important question, then, becomes the role that human resource managers play in balancing the strategic needs of the organization for protecting the technical core with the environmental pressures and expectations that are imposed from a variety of sources on HRM.

All organizations, then, are not equally capable of buffering their human resource management from the effects of the environment. Instead, to model the ability of HRM to buffer itself from environmental (e.g., institutional) pressures, it is likely that human resource manager discretion is a useful explanatory variable that should be considered. In the context of human resource management, an organizational phenomenon that reduces the influence and uncertainty associated with the external environment would be

important in explaining how / why various influences shape the structure and content of human resource management practices. That is, when organizations are not assumed to be invariably active or passive (or conforming or resistant), organizational responses (e.g., to institutional pressures) become behaviors to be predicted rather than "theoretically predefined" outcomes (Oliver, 1991). As such, it becomes important to understand the factor(s) that predict when an organization will conform to pressures from the environment and when it will not conform. Following these arguments, as well as those of others that have suggested that it is critical to consider the behavior of people in organizations in order to understand the behavior of organizations (Thompson, 1967; Staw, 1991), it seems likely that an understanding of the amount of discretion available to human resource managers is key to understanding the issues developed herein.

Discretion as a Critical Contingency

Thompson (1967) argued that environmental factors alone will seldom provide a complete explanation of how organizations act; discretion, in these cases, is an important factor. The exercise of discretion by organization members has been suggested as the "heart of the administrative process" (Thompson, 1967). An administrator characteristic with suggested importance in organization-environment relations (Hambrick & Finkelstein, 1987; Pfeffer & Salancik, 1978; Thompson, 1967), discretion has been suggested as a key variable influencing the degree to which individuals influence organizational behavior (Staw, 1991). Managerial discretion is also a concept with suggested importance in predicting and understanding a variety of organizational phenomena (e.g., succession patterns, executive compensation,

administrative intensity) (Hambrick & Finkelstein, 1987). Recently, discretion has also been set forth as a bridge between "polar views of organizations" (Hambrick & Finkelstein, 1987), such that variations in discretion determine, at least in part, the appropriateness of deterministic or nondeterministic views of organizational adaptation.

Discretion is not a new concept in organizational literature. Several theorists and researchers have emphasized the importance of organizational discretion and decision-making autonomy in organization-environment relations (Cook, 1977; Pfeffer & Salancik, 1978; Thomas & Peyrefitte, 1996; Thompson, 1967; Whetten & Leung, 1979). Thompson (1967) argued that environmental factors alone will seldom provide a complete explanation of how organizations act. Instead, he argued, when the "immutable facts of organizational life" have been faced and contingencies have been spelled out, organizations may still have choice (99). Arguably, it is at this point that discretion makes the difference.

It has been argued, then, that if organizations under rationality norms must deal with uncertainty, the exercise of discretion by organizational members becomes a crucial element in organizational action (Thompson, 1967). Recall that organizations try to achieve predictability and self-control through regulation of transactions at their boundaries - through negotiation, by buffering, or by varying their own activities to match fluctuations in the environment (Thompson, 1967). This need to regulate boundary transactions will, in turn, determine the location of discretionary positions and the number and nature of the structural units at the boundaries of the organization. Given the importance of human resource managers as boundary spanners, it follows that

human resource manager discretion is likely to play an important role in determining the role of choice, environmental, and organizational factors in influencing the structure and content of human resource management practices. Despite this, however, there has been no attempt to define or empirically examine the role of human resource manager discretion in organizations.

In 1987, Hambrick and Finkelstein advanced the theoretical concept of chief executive discretion and set it forth as a bridge between "polar views" of organizations. Their definition of discretion, the latitude of managerial action, is the one which has been adopted for this study. More specifically, discretion is a means of accounting for differing levels of constraint facing different top-management groups (Hambrick & Finkelstein, 1987). In particular, Hambrick and Finkelstein (1987) argued that variation in discretion determines, at least in part, the appropriateness of deterministic or nondeterministic views of organizational adaptation.

In general, Hambrick and Finkelstein (1987) argued that in order to predict changes in an organization characterized by low discretion, one need only to know what is going on in its environment. In firms characterized by low managerial discretion, therefore, Hambrick and Finkelstein (1987) suggest that environmental pressures will be most important in shaping organizational structure. In a high discretion firm, on the other hand, changes in the structure and content of human resource management practices will not necessarily be tied to changes in the environment. That is, managerial discretion will improve their ability to gather and process information, to identify and negotiate alternate courses of action.

As an example, based on its deterministic assumptions outlined above, institutional theory can illustrate how the exercise of strategic choice may be preempted (Oliver, 1991). As discussed previously, institutional theorists have tended to limit their attention to the effects of the institutional environment on structural conformity and isomorphism (DiMaggio, 1988; Perrow, 1985; Powell, 1985). As such, in the absence of human resource manager discretion, the conformity of HRM practices across organizations may be explained by the "preconscious acceptance" of institutional values and practices. Based on the arguments developed herein, it seems likely that under conditions of restricted human resource discretion, organizations will exhibit conformity or homogeneity to one another in the structure and content of their HRM because the environmental imperative (institutional pressures toward conformity and isomorphism) dictates development (Oliver, 1988).

On the other hand, previous arguments have suggested that managerial discretion allows a degree of choice and activeness in the shaping organizational outcomes. As such, a human resource manager's ability to maintain discretion over decision making allows the flexibility to permit continual adaptation as new contingencies arise. Discretion allows latitude in designing organizational structures and in pursuing multiple strategies to facilitate adaptation to environmental pressures. More specifically, it has been suggested that discretion allows organizational leaders to fashion "unique structures" relative to others occupying the same niche (Oliver, 1988). It is important to note that this adaptability permits structural variations among "competitively equivalent"

organizations (Oliver, 1988). As such, discretion can be expected to render the structure of an organization less susceptible to the homogenizing effects of external forces.

Therefore, it seems likely that discretion, in this case, the degree of latitude available to the human resource manager, is an important critical contingency variable in organizations. This dissertation will focus on human resource manager discretion to demonstrate how the potential for contrasts, or variation, in human resource manager discretion determines the potential for complementarity in explaining HRM resistance or conformity to environmental pressures. If discretion is consequential in shaping the structure and content of human resource management practices, the argument can then be made that discretion is important to an understanding of the relationship between environmental forces and variations in the structure and content of HRM. Given a result that indicates that discretion exists and is consequential, the issue of strategic choice becomes important. The argument has been made that where managerial discretion is abundant, the strategic choice framework will provide the best depiction of organizational phenomena (Hambrick & Finkelstein, 1987). If the model presented in this dissertation is supported, the expected implication for future research will be to better model how managers choose to use this discretion, if at all. Certainly, managerial discretion encompasses a wide range of choices, choices that may be beneficial or detrimental, strategic or non-strategic (Thomas & Peyrefitte, 1996). Given that human resource manager discretion is an influential antecedent of the structure and content of human resource management, the issue of the choices human resources managers make

in response to issues of strategic human resource management will become more important.

Summary

Two major approaches to defining organizational structure appear in the literature: choice and environmental determinism. From one point of view, they seem to offer competing, or even mutually exclusive approaches. In fact, environmental and choice theorists have often presented the two perspectives as competing, or conflicting determinants of organizational structure (e.g., Wright and McMahan, 1992). This presentation is not surprising, given the relatively deterministic assumptions underlying theories of environmental determinism and the relatively nondeterministic paradigm underlying the strategic choice model. Recent arguments have suggested that classifying organizational actions as either organizationally or environmentally determined is misleading and diverts research inquiry away from the true nature of relationships in organizations (Hrebiniak and Joyce, 1985). That is, to view these perspectives as conflicting, or even mutually exclusive, diverts research inquiry from the critical interactive nature of those factors influencing the organizational adaptation.

In this dissertation, a model focusing on human resource manager discretion and its role in influencing variations in HRM is developed. By modeling managerial discretion, a hypothesized variable of importance in both theories of choice and environmental determinism, this model is designed to stimulate future research that simultaneously considers predictions that have, until this point, been considered contradictory. It is proposed here that managerial characteristics will not always be

predictive of organizational outcomes because managers in some organizations have less discretion than their counterparts in other organizations (Hambrick & Finkelstein, 1987). In particular, when discretion is high, human resource managers are more likely to have a higher degree of choice and activeness in shaping the structure and content of HRM, based on their improved ability to gather and process information and to identify and negotiate alternate courses of action.

The preceding review of the literature provides a basis for the development of a model of macro HRM. A synthesis of the choice and environmental determinism perspectives provides the basis for a theoretical framework linking environmental, organizational, and human resource management variables. As a starting point, Figure 2.1 presents a model of human resource management based on the discussion of previous theory and research developed herein.

Influences on Human Resource Manager Discretion

Previously, research has suggested that management discretion is not a "happenstance" occurrence (Hambrick & Finkelstein, 1987). As noted in Figure 2.1, human resource manager discretion is influenced by environmental, organizational, and individual-level factors, and in turn, it is thought to influence the structure and content of human resource management. More specifically, discretion is determined by three sets of factors: (1) the degree to which the environment allows variety and change; (2) the degree to which the organization is responsive to possible managerial action and empowers the manager to formulate and execute those actions; and (3) the degree to

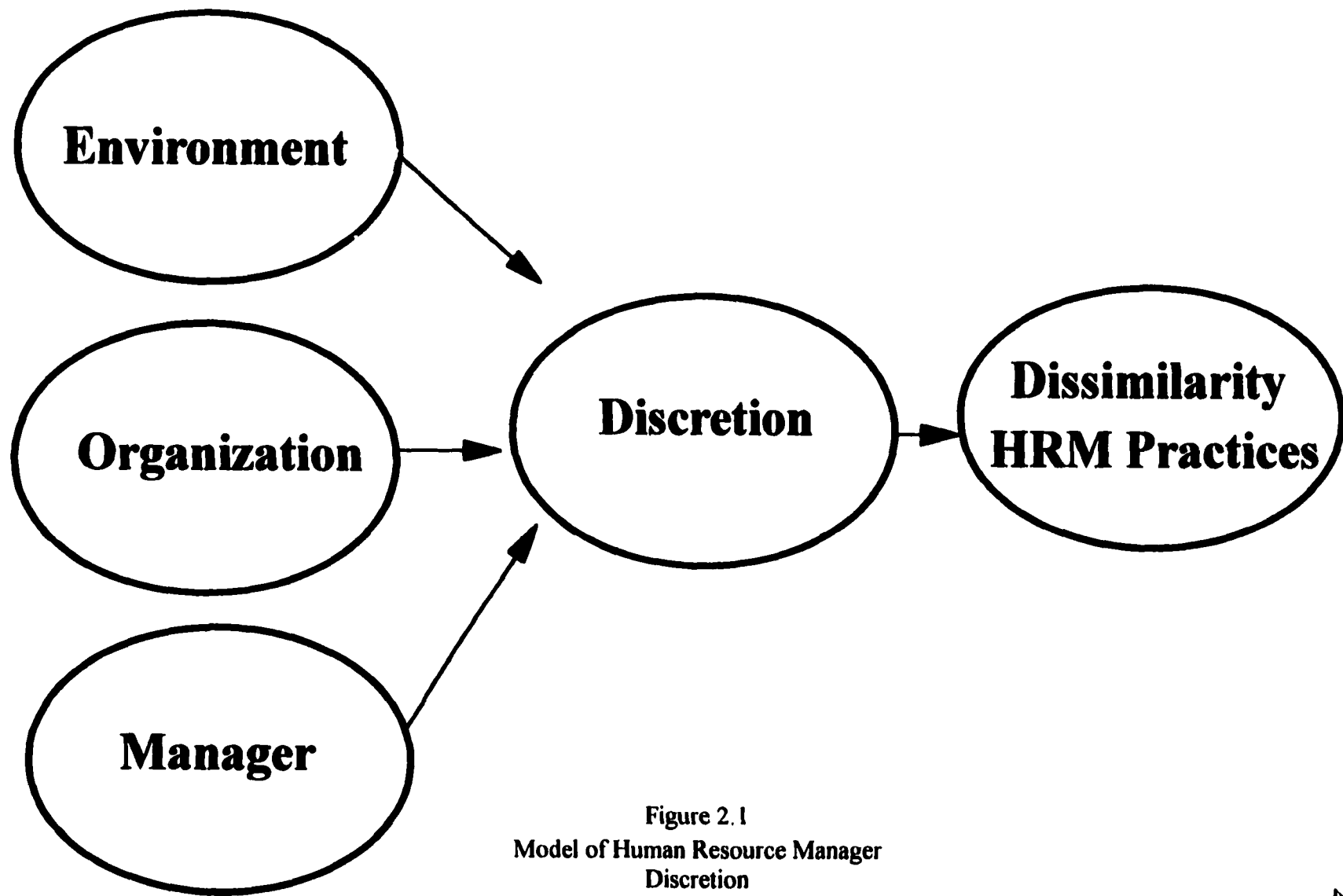


Figure 2.1
Model of Human Resource Manager
Discretion

which the executive is personally able to visualize or create courses of action (Hambrick & Finkelstein, 1987).

Environmental Influences. Environmental influences on organizations and managers have been well documented in organizational literature (e.g., Lawrence & Lorsch, 1967; Pfeffer & Salancik, 1978; Thompson, 1967). It has been suggested that environmental characteristics have implications for most aspects of the management of organizations (Boyd, Dess, & Rasheed, 1993). In fact, an environmental contingency model has dominated organizational research for several decades (Bluedorn, 1993). Such a contingency model posits that in order for organizations to be effective, they have to achieve a fit between their structure and the environment. Furthermore, the characteristics of the environments within which organizations function affect the level of managerial discretion (Hambrick and Finkelstein, 1987).

Extending these arguments to human resource management, it is likely that institutional influences comprise an important part of the environmental influences on human resource manager discretion. For most organizations, institutional pressures are a highly salient feature of their environmental contexts (Goodstein, 1994). As discussed previously, institutional influences have played an important role in HRM, whether through public policy, the courts, or through the influence of personnel professionals (Dobbin, Sutton, Meyer & Scott, 1993). In general, it is likely that institutional pressures will limit the discretion of organization members. Institutional constituents, including the state, professions, interest groups, and the general public, impose a variety of laws, regulations, and expectations on the organization (Pfeffer & Salancik, 1978;

Zucker, 1987). Arguably, these constraints will limit the discretion available to the human resource manager. In general, discretion is likely to depend not only on the institutional requirements imposed by the environment, but also on the degree of organizational dependence exerted by institutional constituents for legitimacy or economic viability (e.g., Oliver, 1991).

Organizational Variables. In addition to factors in the environment, the organization itself may also have characteristics that limit discretion (Hambrick & Finkelstein, 1987). More specifically, certain characteristics associated with the organization may also limit the manager's role in the organization (Hambrick & Finkelstein, 1987).

In human resource management, research has also acknowledged the role of organizational characteristics in shaping human resource management practices (e.g., Jackson, Schuler, & Rivero, 1989; Tannenbaum & Dupuree-Bruno, 1994; Jackson & Schuler, 1995). Various internal contextual factors have been identified as important to human resource management. Jackson and Schuler (1995), for example, identified five organizational factors affecting HRM: technology, structure, size, organizational life cycle stage, and business strategy. Similarly, Jackson et al., (1989) explored the role of technology, competitive strategy, and organizational structure; Tannenbaum and Dupuree-Bruno (1994) examined the role of size, organizational structure, and climate in HRM. Arguably, these organizational factors will also affect human resource manager discretion. Considerable evidence, for example, shows that HRM varies systematically with organization size (Jackson & Schuler, 1995). For example, compared to smaller

organizations, larger ones are more likely to adopt due process procedures (Dobbin, Edelman, Meyer, Scott, & Swidler, 1988); use more sophisticated staffing (Terpstra & Rozell, 1993); and engage in drug testing (Guthrie & Olian, 1991).

Managerial Variables. Discretion is also influenced by characteristics of the focal manager. Specifically, by virtue of their personal characteristics, managers may differ in the degree to which they generate and consider multiple courses of action (Hambrick & Finkelstein, 1987).

Given the argument that people, not organizations make decisions, and that these decisions depend on prior processes of human perception and evaluation (Child, 1972), it seems likely that the needs, values, experiences, expectations, and cognitions of human resource managers will be important predictors of strategic choice in HRM. Research has supported the contention that managers' personal characteristics do make a difference in strategy formulation and implementation (Finkelstein, 1988; Gupta & Govindarajan, 1984; Miller & Toulouse, 1986). Despite this, however, research in HRM has not addressed the role of human resource manager characteristics. Although Ritzer and Trice (1969) provided some initial insight into some individual characteristics of human resource managers (e.g., professionalism, commitment, and behavior in role conflict situations), neither follow-up studies nor studies addressing the role of these characteristics in human resource management policy development have been forthcoming.

Research Questions

To summarize, there are several potential avenues for research into structure and content of human resource management practices. There has been little in the human resource management literature to provide a necessary foundation for understanding the determinants of human resource management practices. The purpose of this dissertation is to develop a model focusing on human resource manager discretion and its role in influencing variations in HRM. This model is designed to stimulate future research that simultaneously considers choice and deterministic predictions regarding the structure and content of HRM.

This research will elaborate the concept of discretion, as was presented by Hambrick and Finkelstein (1987), in order to model how environmental, organizational, and managerial characteristics shape the human resource manager discretion, and in turn, how this discretion affects the structure and content of HRM practices. More specifically, this dissertation introduces the concept of human resource manager discretion to model the role of human resource managers in determining the structure and content of HRM. Specifically, human resource manager discretion is likely to place boundaries on the ability to resist environmental pressures. Human resource manager discretion, as determined by environmental, organizational, and managerial characteristics, is expected to make a contribution to a greater understanding of the determinants of the structure and content of HRM. That is, as outlined previously, where discretion is low, there is more likely to be consistency with regard to the structure and content of HRM across organizations. On the other hand, where

discretion is high, it is more likely that there will be more variations in HRM across organizations.

To address these issues, the general research question being addressed in this dissertation is: Does human resource manager discretion make a contribution to our understanding of the determinants of human resource management practices across organizations? Further, to address these issues, two specific questions will be addressed:

- (a) Do environmental, organizational, and managerial variables influence the nature of human resource management discretion?
If so, how?
- (b) Does the nature of human resource management discretion influence variations in human resource management practices across organizations? If so, how?

This chapter has provided a basis for the development of a macro model of HRM. The general research questions that have been presented in this chapter will be further explored in the next chapter, where hypotheses tested in the reported study will be developed.

CHAPTER THREE HYPOTHESES DEVELOPMENT

This chapter develops hypotheses tested in the reported study. Variables used in this study of the structure and content of human resource management practices are described, and proposed relations among these variables are advanced.

Environmental Influences

Research has suggested that environmental influences impact the level of managerial discretion (Hambrick & Finkelstein, 1987). Based on the literature discussed herein, it is expected that institutional pressures are highly salient features of such environmental context. In general, institutional pressures are likely to limit discretion. In particular, institutional theory illustrates how the exercise of strategic choice or discretion may be "preempted" (Oliver, 1991). There are a variety of institutional pressures, or antecedents, which arguably influence the level of discretion available to human resource managers (Oliver, 1991). Specifically, institutional pressures have been defined in terms of five factors: cause, constituents, content, control, and context (Oliver, 1991). Because cause focuses more on why the organization is being pressured to conform, rather than on the nature of the institutional pressures themselves, this research will not directly address the cause of institutional pressures. Therefore, to address the issues associated with environmental influences on discretion, four of the institutional pressures suggested by Oliver (1991) will be directly addressed: constituents, content, control, and context. Each of these is arguably an important part of the institutional context for human resource management.

First, an organization's institutional constituents include the state, professions, interest groups, and the general public (Oliver, 1991). Each of these constituents imposes a variety of laws, regulations, and expectations on the organization, acting independently and in concert to limit discretion. Similarly, human resource management departments or units interact with a variety of constituencies, many of which are in the firm's external environment (e.g., employment agencies or job applicants) (Tsui, 1990). The fewer the constituencies impinging on the HRM department, the fewer discretionary constraints are likely. Having only a small number of constituents to deal with will likely serve to simplify the activities of the HRM department (Aldrich, 1979), and should serve to improve the discretionary ability of the human resource manager. Therefore:

Hypothesis 1: The smaller the number of external constituencies the HRM department must satisfy, the greater the discretion that will be available to human resource managers.

Another aspect of institutional pressures that may impact the level of human resource manager discretion concerns the content of institutional pressures. Here, organizational conformity to institutional pressures may be a function of the consistency and congruence of those expectations with the organization's existing goals and policies (Oliver, 1991). In HRM, it has been suggested that this congruence is likely to be stronger for public sector organizations. As such, the distinction between public and private sector organization has been used in previous human resource management research to address the notion that federal, state, and local governments can use their power to authorize or legitimate policies and structures that other organizations within

the public sector will adopt (e.g., Goodstein, 1994). In contrast, in the private sector, conformity to institutional pressures may be precluded by organizational goals that give greater weight to other standards (e.g., technical or economic) against which firm performance is fundamentally evaluated (Oliver, 1991). Just as these processes have contributed significantly to the adoption of personnel policies in the public sector (Baron, Dobbin, & Jennings, 1986; DiMaggio & Powell, 1983), it is likely that these same processes will limit human resource manager discretion in the public sector. Public sector organizations, then, face "quasi-legal" constraints, and although they are not formally regulated, they are dependent on the government for a major portion of their budgets (e.g., public universities and hospitals). In these cases, power rests with the resource providers, and discretion is likely to be distinctly limited (Pfeffer & Salancik, 1978). Therefore:

Hypothesis 2: Human resource managers in private sector organizations will have more discretion than will human resource managers in public sector organizations.

Third, institutional control describes the ways in which institutional pressures are imposed on organizations (Oliver, 1991). There are two distinct processes by which such pressures are imposed on organizations: legal coercion and voluntary diffusion (Oliver, 1991). First, legal or government mandates are imposed by means of authority. Such institutional pressures typify coercive influence, which result from various pressures exerted on organizations; such influences result in organizational change as a direct response to government mandate. Legal requirements mandating human resource

management policies and practices are likely to play a major role in the environmental context of HRM. In fact, the most important external environment for human resource management is the legal environment (Ledvinka & Scarpello, 1992). Changes in the legal environment have significantly changed the rules for the management of human resources. Not only are legal considerations a primary force shaping personnel policy (Ledvinka & Scarpello, 1992), but these issues are also an important constraint on human resource management decisions. Further, based upon the discussion herein, and the arguments of Hambrick and Finkelstein (1987), it seems likely that human resource executives in heavily regulated industries to have a relatively limited set of options such that:

Hypothesis 3: The lower the degree of legal coercion behind institutional requirements, the greater the discretion that will be available to human resource managers.

Another mechanism through which institutional influence occurs is voluntary diffusion (Oliver, 1991). As organizations adopt norms and practices, they are increasingly legitimated (Tolbert & Zucker, 1983). As these norms diffuse, organizations will increasingly incorporate these norms in an effort to enhance their legitimacy, to secure critical resources, and to remain competitive (Goodstein, 1994). Such institutionalization of organizational practices is likely to occur through processes of mimetic or normative isomorphism (DiMaggio & Powell, 1983). Mimetic influences, then, induce an organization's imitation of other organizational structures and practices, while normative influences exert pressure on organizations through professional

relationships. As such, the ubiquity of certain kinds of management practices may be credited more to the universality of mimetic practices than to any discrete evidence that the adopted practices enhance efficiency (Davis & Powell, 1994). Furthermore, voluntary diffusion may also be the result of the formal and informal professional networks that span organizations and across which innovations may diffuse (Davis & Powell, 1994).

The extent to which an institutional expectation or practice has spread voluntarily will tend to predict the likelihood of conformity to institutional expectations (Oliver, 1991). Similarly, the amount of human resource discretion is likely to depend on perceptions of the diffusion of institutional norms and rules. Because managers are less likely to be aware of developing or narrowly diffused values and practices, low levels of diffusion are less likely to limit discretion. That is, while the broad diffusion and validation of HRM practices are likely to preempt strategic decision-making about the efficiency of such practices, when such practices are not broadly diffused or validated managers may be more skeptical or unwilling to conform; as such, discretion levels will typically be higher in such situations. Therefore:

Hypothesis 4: The lower the degree of voluntary diffusion of institutional norms, values, or practices, the greater the discretion that will be available to human resource managers.

Finally, the environmental context within which institutional pressures are exerted on organizations is also likely to be an important aspect of such institutional pressures (Oliver, 1991). Environmental uncertainty and interconnectedness are predicted to be

significant dimensions of such context (Oliver, 1991). First, because organizational decision makers have a strong preference for certainty, stability, and predictability in organizational life (DiMaggio & Powell, 1983; Pfeffer & Salancik, 1978), environmental uncertainty will affect responses to institutional pressures. Organizations, for example, are more likely to imitate other organizations in contexts of environmental uncertainty. When managers have little knowledge about the relationship between means and ends, or when there is goal ambiguity, they tend to model their organizations after other organizations (Davis & Powell, 1994). In these cases, it is more likely that strategic decision-making will be preempted. In cases of environmental uncertainty, then, human resource managers will have limited discretion. Therefore:

Hypothesis 5: The lower the level of environmental uncertainty, the greater the discretion that will be available to human resource managers.

The level of interconnectedness in the institutional environment is also an important aspect of the institutional pressures facing organizations. Interconnected environments are said to provide "relational channels" that facilitate consensus on institutional norms (DiMaggio & Powell, 1983). High degrees of interconnectedness in an institutional environment, therefore, tend to promote isomorphism and conformity. Institutional environments are more likely to be interconnected when they contain many business, professional, and other membership organizations (e.g., political organizations and civic groups) (DiMaggio & Powell, 1983; Powell & DiMaggio, 1991). Because interconnectedness facilitates conformity and isomorphism with institutional elements, it

is likely that such interconnectedness will also serve to limit discretion. As such, it is expected that:

Hypothesis 6: The lower the degree of interconnectedness in the institutional environment, the greater the level of discretion that will be available to human resource managers.

Research has also suggested that more general environmental influences impact the level of managerial discretion. First, the resources an organization has to draw upon are likely to impact the level of managerial discretion (Hambrick & Finkelstein, 1987). A munificent environment, one characterized by an abundance of resources, makes it easier for the HRM department to offer services (Tsui, 1990). Arguments have been levied that suggest that it is both easier and more desirable for an organization to operate in a munificent external environment, that is, one with more resources (Tannenbaum & Dupuree-Bruno, 1994). Overall, then, organizations with abundant slack will tend to have a great deal more leeway in their options (Cyert & March, 1963). As such, organizations with access to a strong, qualified labor pool have greater resources to draw upon, and it seems likely that such resource availability will have a significant impact on the discretion of human resource managers. Therefore:

Hypothesis 7: The greater the abundance of resources available to the HRM department (in terms of environmental munificence), the greater the discretion that will be available to human resource managers.

Finally, the industry that the firm competes in is likely to impact the level of managerial discretion. Specifically, industries may differ along several dimensions that

affect the level of managerial discretion (Finkelstein & Hambrick, 1990). For example, product differentiability has been suggested as an important antecedent of executive discretion. It has been proposed, more specifically, that industries that produce a differentiable product or service offer managers discretionary domains that are not available in other industries (Hambrick & Finkelstein, 1987). Further, environmental factors such as demand instability, low capital intensity, competitive market structure, market growth, and freedom from government regulation have been offered as sources of environmental discretion; industries characterized by these factors offer greater discretion to top managers. High growth industries, for example, are likely to offer managers more discretionary opportunities; Porter (1980) suggested that the growth stage of the industry life cycle affords executives the greatest "strategic degrees of freedom" (230).

Furthermore, human resource management research has addressed several industry-level factors proposed to impact human resource management. Previous research has argued, in fact, that a full discussion of how HRM is affected by industry-level factors must consider many topics including HRM in the public vs. private sectors, in regulated vs. unregulated industries, and in industries characterized by high vs. low stability or change (Jackson & Schuler, 1995). Research on human resource management and organizational life cycles, for example, has adopted a deterministic view, predicting that life cycle stage constrains and shapes HRM (Jackson & Schuler, 1995). Therefore, it is likely that factors associated with industry instability (e.g., manufacturing, technology, market demand, product design, government regulation, and raw material

availability and price) will impact the level of human resource manager discretion.

Specifically:

Hypothesis 8: The lower the level of industry turbulence, the greater the discretion that will be available to the human resource manager.

Organizational Influences

Hambrick and Finkelstein (1987) suggested that, in addition to the environment, the organization itself may have characteristics that impact executive discretion. In this dissertation, four organizational characteristics suggested by Hambrick and Finkelstein (1987) as having implications for human resource manager discretion, resource availability, internal constituencies, inertia, and internal political conditions, will be considered. First, in addition to external resources, the level of internal resources an organization has to draw upon is likely to impact the level of managerial discretion (Hambrick & Finkelstein, 1987). Arguably, the HRM department's resource base will impact the level of human resource manager discretion. Specifically, the amount of available internal resources will likely facilitate the HRM department's ability to be responsive, as well as its ability to acquire resources (Tsui, 1990). For example, a larger human resources staff can offer more services to clients, be more responsive to relevant constituents, and provide other resources such as advice, consultation, and new programs (Tsui, 1990). Therefore:

Hypothesis 9: The greater the abundance of resources available to the HRM department (in terms of internal resources), the greater the discretion that will be available to human resource managers.

A second set of organizational variables posited to impact the level of managerial discretion is the internal constituencies impinging on the human resource management department. In addition to the external constituencies impacting HRM, many constituencies exist in the immediate task environment for HRM (e.g., other managers, employees of other functional departments). The more constituencies, the more interests and expectations that HRM will be expected to meet. The fewer the constituencies impinging on the HRM department, then, the fewer discretionary constraints. Therefore:

Hypothesis 10: The smaller the number of internal constituencies the HRM department must satisfy, the greater the discretion that will be available to human resource managers.

A third set of organizational variables posited to impact the level of managerial discretion are the inertial forces within an organization (Hambrick & Finkelstein, 1987). Arguably, the inertial tendencies of organizations preclude choice, thus limiting discretion (e.g., Hannan & Freeman, 1977). Inertia then, tends to promote a heightened internal focus, which is likely to preclude significant amounts of executive discretion. Several aspects of this construct have been associated with the inability to consider environmental change (Boyd, Dess, & Rasheed, 1993). Specifically, executives in large organizations or organizations that have been in existence for many years are likely to have less discretion than those executives in younger, smaller firms. Large organizations, according to Mintzberg (1978), tend to have a bureaucratic momentum that may limit the manager's discretionary options. Additionally, institutional theory

suggests that, by virtue of their size and visibility, large organizations are subject to much attention from the state, media, and professional groups (Meyer, 1979; Powell, 1991). These organizations become increasingly accountable to external constituencies and more vulnerable to public pressure; institutionalized expectations, then, exert a greater influence (Powell, 1991; Freeman & Gilbert, 1988; Mintzberg, 1983). Similarly, older organizations tend to rely heavily on the status quo, which may serve to reduce discretion. Therefore, in the context of human resource management:

Hypothesis 11: The weaker the inertial forces within an organization (size, age), the greater the discretion that will be available to human resource managers.

A fourth organizational antecedent of discretion proposed by Hambrick and Finkelstein (1987) is the political configuration of the organization. Specifically, they suggest that, for chief executives, factors such as distribution of ownership and composition and loyalties of the board of directors will impact the discretion of the executive; this proposition is based on the notion that the more influence the organization's context provides the chief executive, the greater the discretion afforded by that executive.

In the context of human resource management, recent literature in SHRM has identified an important factor in the HRM context that seems likely to afford human resource managers more discretion. Specifically, the notion of integration between human resource management and strategic management is arguably an important organizational variable that affords discretion to human resource managers. The level of

integration between HRM and strategic management has, in fact, been suggested as an appropriate measure of the importance of the HRM function in the organization (Feuille & Chachere, 1995). Various levels of integration between human resource management and strategic management have been identified in previous literature (Golden & Ramanujam, 1985). Specifically, four general kinds of linkages have been identified, ranging from the low-level, administrative linkage, to the high-level integrative linkage (Golden & Ramanujam, 1985). The higher levels of integration arguably provide the context for human resource managers to have more discretion. Specifically, integrative linkages have been defined as "dynamic, multifaceted linkages" based on interactive, rather than reciprocal relationship (Golden & Ramanujam, 1985:439). In this kind of environment, the human resource manager is viewed as a true strategic business partner with other senior executives. Participating in an interactive relationship with other senior management members enables the human resource manager to be regarded as a team member, who not only specializes in human-resource related areas, but who also provides input and makes decisions on business strategies not directly involving human resource considerations. Arguably, changing levels of integration between human resource management and strategic management, which are accompanied by changing views of both the human resource executive and the human resource function in general, will be associated with differing levels of human resource manager discretion. Specifically, just as the composition and loyalties of the board of directors is proposed to impact the amount of discretion afforded to the chief executive, the level of integration between human resource management and strategic management is likely to be an

important organizational factor affecting the amount of influence the organization's context provides the human resource manager. Therefore:

Hypothesis 12: The higher the level of integration between human resource management and strategic management, the greater the discretion that will be available to human resource managers.

Managerial Influences

Finally, Hambrick and Finkelstein (1987) argued that executive discretion is also determined by the focal manager. That is, they posited that discretion is determined by the degree to which the executive is personally able to think of or establish courses of action. Specifically, individual-level research suggests that the patterns and limitations of individual cognition place restrictions on the amount and types of information that decision makers search for, how they interpret the amount and types of information that decision makers search for, and how they select alternative actions (Thomas, Gioia, & Ketchen, 1995). Four of the managerial characteristics proposed by Hambrick and Finkelstein (1987) to affect managerial discretion are: tolerance for ambiguity, educational attainment, locus of control, and informal political factors.

First, it is likely that individuals differ in how deleterious they find an uncertain situation (Budner, 1962; MacDonald, 1970). An ability to tolerate ambiguity may moderate an individual's response to a variety of situations, including an ambiguous role and an uncertain situation (Ashford & Cummings, 1985). Furthermore, it is likely that executives who are relatively intolerant of ambiguity may not consider actions that represent a departure from the known "status quo." As such, new, and longer-term

solutions to strategic problems will likely be excluded from the discretionary sets considered by these executives. Similarly, in HRM, researchers have suggested that ambiguity and the way that human resource managers deal with it is an important determinant of human resource management decisions and actions (Ferris & Judge, 1991). Therefore:

Hypothesis 13: The greater their tolerance for ambiguity, the greater the discretion that will be available to human resource managers.

Next, Hambrick and Finkelstein (1987) proposed that the educational background of executives is an important determinant of discretion. Previous research, in fact, has argued that the type and amount of education a manager chooses serves as an indicator of cognitive preferences (Hitt & Tyler, 1991). Further, Hambrick and Mason (1984) suggested that executives' educational background provides an indication of their knowledge and skill base. It has been speculated that those managers with less formal education have greater variance in their cognitive models because these models are partially the product of more general educational training. Research has also suggested that a manager's discretionary set is constrained by his or her ability to process different alternatives at the same time. Some alternatives may be ruled out, not because they are not viable alternatives, but because they are beyond the manager's cognitive bounds. As such:

Hypothesis 14: The greater their educational attainment, the greater the discretion that will be available to human resource managers.

Hambrick and Finkelstein (1987) also posited that an executive's locus of control is likely to affect his or her level of discretion. Locus of control is defined as a "generalized expectancy that rewards, reinforcements, or outcomes in life are controlled either by one's own actions (internality) or by other forces (externality)" (Spector, 1988: 335). Apart from many studies outside the direct realm of management, relationships have been found between locus of control and work alienation, job satisfaction, job involvement, leadership style, and level of business activity (Rice, 1978). Furthermore, it is probable that managers with an internal locus of control are likely to have a greater discretionary set. That is, those with an internal locus of control, whereby a person believes that events are subject to their own control, are likely to translate "purposive involvement" in many domains into the generation of multiple alternatives. Those who have an external locus of control, on the other hand, believe that events are beyond their control, and are likely to have a limited discretionary set. Therefore:

Hypothesis 15: The greater the degree to which a human resource manager is an internalist (those with an internal locus of control), the greater the discretion that they are likely to perceive.

Hambrick and Finkelstein (1987) also argued that political factors associated with the executive influence the amount of discretion. Political power is an element of most interpersonal transactions in social systems, and the patterned relationships of individuals in organizations are maintained in part by the social power matrix of that system (Katz & Kahn, 1966). Several variables have been associated with informal power in previous organizational research. Gender, for example, is an important personal characteristic

with specific relevance to human resource management issues (Ferris & Judge, 1991).

Women traditionally have operated from inferior power positions in most organizations as evidenced by gender differences in influenceability (Ferris & Mitchell, 1987). Further, research findings indicate that men have consistently had greater access to resources for power than women (Ragins & Sundstrom, 1989).

Further, expertise is said to stem from a unique set of skills and experiences (French & Raven, 1959). As such, it seems likely that the more years in HRM, the more expert power the human resource manager will have. As such, organizational tenure may also be used to assess informal human resource manager power; it has been suggested that informal power for human resource managers is likely to increase over time. Specifically, executive tenure is associated with the executive gaining personal charisma and the loyalty of others. Over time, this informal power is likely to become institutionalized (Pfeffer, 1981). In general, managers with informal personal power are more likely to be active in a number of discretionary domains that cannot be considered by less powerful managers (Hambrick & Finkelstein, 1987). Informal power, then, is likely to be associated with higher levels of discretion, such that the force of the personal reputation associated with a manager's power affords managers to act where others would not have the opportunity. Therefore:

Hypothesis 16: The greater the degree of informal political power, the greater the discretion that will be available to human resource managers.

Human Resource Management Outcomes

Institutional theorists have identified several mechanisms that motivate organizations to respond to institutional pressures in the same way (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). In particular, they have focused on conformity to institutional pressures, such that isomorphism is the expected outcome when organizations "comply" with institutional pressures. Oliver (1991) summarized, "Institutional theorists have tended to focus on conformity, rather than resistance, passivity rather than activeness, and preconscious acceptance rather than political manipulation in response to external pressures" (149). It is likely, therefore, that organizations facing institutional pressures will exhibit isomorphic human resource management practices. Specifically, institutional pressures toward conformity will result in the adoption of similar human resource management practices across organizations; the structure and content of human resource management practices, in essence, will reflect institutionalized classifications of "appropriate structure" (Meyer & Rowan, 1977).

Oliver (1991) explained that institutional theory illustrates how the exercise of strategic choice may be preempted when organizations are "unconscious of, blind to, or otherwise take for granted the institutional processes to which they adhere"(148). Research, however, has still neglected to examine those factors that make resistance to institutional pressures more (or less) probable (Oliver, 1991). It seems likely that variations in discretion, or the latitude of managerial discretion across organizations, will determine whether or not strategic choice will be "preempted" (Hambrick & Finkelstein,

1987). That is, because managers of some organizations have more discretion than their counterparts in other organizations, neither strategic choice nor institutional factors will always be predictive of human resource management structure and content. Institutional pressures, then, become more significant in influencing the structure and content of human resource management practices when discretion is restricted. When managers have more discretion, however, it seems more likely that they will exert their influence in a variety of substantive HR domains. In essence, the influence of discretion may allow human resource managers to "fashion unique structures" in the structure and content of HRM practices in their organizations. Discretion, then, is likely to render an organization (or HRM department) less susceptible to the homogenizing effects of the institutional environment (Oliver, 1988). Thus:

Hypothesis 17: The level of discretion of the human resource manager will be positively related to the dissimilarity of human resource management practices across organizations.

CHAPTER FOUR RESEARCH METHODOLOGY AND DESIGN

This chapter describes the research methodology and design used to test the hypotheses presented in Chapter 3. The sample and other data sources are detailed, as are the measures and scales used to operationalize the underlying constructs.

Sample

The sample for this study was drawn from membership lists provided by regional chapters of the Louisiana Society for Human Resource Management (SHRM) (including Alexandria, Baton Rouge, Lafayette, Lake Charles, Monroe, New Orleans, and Ruston / Northeast Louisiana.). In many cases, the SHRM membership lists contained multiple respondents for an organization. Also, each list included individuals who are not human resource managers (e.g., consultants, academicians, and students). Therefore, it was necessary to first identify the proper respondent at each firm. Where there were two or more individuals from the same site on the mailing list, short telephone interviews were conducted in order to identify the proper respondent, the individual most in charge of human resources at the organization. Those individuals who worked as HRM consultants or academicians, as well as students, were eliminated. Based on these processes, a final sample of 470 human resource managers from a wide range of public and private sector organizations across Louisiana was developed.

Data Collection

The data for this study were collected from three sources. First, a questionnaire was mailed directly to each of the 470 human resource managers. Second, this mailing

included a different questionnaire that was to be forwarded by the human resource manager to a member of top management not a part of the human resource function. The human resource manager questionnaire appears in Appendix A. The top manager questionnaire appears in Appendix B. Finally, archival data on unemployment rates in Louisiana were provided to the researcher by the State Department of Labor.

The construction of both the human resource manager and top manager questionnaires and associated materials (e.g., cover letters) was guided by Dillman's (1978) total design method. Appendix C contains reproductions of the three cover letters and the reminder postcard. Dillman (1978) presented specific recommendations to maximize both the validity of survey instruments and the response rate from potential respondents. First, both the human resource manager and top manager questionnaires were reviewed by a number of management researchers and consultants. Next, each questionnaire was pretested with a sample of 15 management practitioners in 11 organizations, representing a variety of industries. Pre-test respondents were instructed to provide both general feedback about questionnaire length, format and wording, as well as more specific feedback about individual questions. Their reactions and comments regarding clarity, readability, and content were used to guide development of the final human resource manager and top manager questionnaires.

The initial contact in each organization was the human resource manager. The five-part human resource manager questionnaire was designed to identify the HRM policies and practices in place at the focal organization, as well as to assess various characteristics of the human resource manager and the focal organization. The top

manager questionnaire was designed to assess more general aspects of the focal organization (e.g., perceptions of the industry and assessments of the organization's alignment of strategy and human resource management) and to provide data that could be used to assess the reliability of human resource manager responses.

As suggested by Dillman (1978), an initial mailing (including a letter of support from the Louisiana Society of Human Resource Management, a letter of introduction to both the human resource manager and top managers, and two postage-paid return envelopes) were sent to each human resource manager in the sample. Approximately one week after the initial mailing, reminder postcards were sent, prompting respondents to complete and return their surveys. One month later, three waves of follow-up phone calls (one month after the initial mailings, again six weeks after the initial mailing, and finally, two months after the initial mailings) were initiated to those organizations where only one questionnaire had been returned.

Measures

The hypotheses considered in this study required a wide range of measures to be collected from three different data sources. A full description of the measures and their sources can be found in Appendix D. Table 4.1 reports means, standard deviations, alphas, and number of items in the scales used to measure the independent variables in this study. All scales used in this study to test the hypotheses developed in Chapter 3 reached or exceeded the generally accepted minimum reliability of .70 suggested for exploratory research (Nunnally, 1978).

Table 4.1
Summary of Scales: Mean, Standard Deviation, Number of Items, and Alpha

<u>Scale</u>	<u># Items</u>	<u>Mean</u>	<u>S.D.</u>	<u>Alpha</u>
Multiplicity of Demands on HRM	5	17.31	5.10	.89
Legal Coercion	6	20.27	3.73	.71
Coercive Influences	2	8.23	2.21	.97
Mimetic Influences	2	6.29	1.77	.93
Normative Influences	2	6.39	1.90	.93
Rational (Strategic) Influences	2	7.94	2.50	.95
Environmental Uncertainty	6	13.63	3.31	.72
Industry Instability	7	18.46	4.05	.73
HRM Integration (HR)	3	10.85	3.14	.89
HRM Integration (TM)	3	10.67	2.58	.79
SHRM Index	7	22.71	5.62	.87
Tolerance for Ambiguity	7	19.44	4.65	.75
Locus of Control	8	16.21	3.67	.72

Each of the measures in this study is described below. First, the measures used to operationalize the environmental influences on discretion are outlined. Next, the measures used to operationalize the organizational influences on discretion are outlined. The measures used to operationalize the managerial influences on discretion are next detailed. Finally, the measures of human resource manager discretion and human resource management practice dissimilarity are described.

Environmental Influences

These variables assess relevant characteristics of the environment. Six environmental forces were examined in the analyses: institutional constituents, content

of institutional demands, institutional control, institutional context, external resource availability, and industry instability. Table 4.2 provides summary descriptions of the constructs and variables used to measure these six categories of variables.

Institutional Constituents. To assess the impact of institutional constituents on HRM, two variables were measured: the number of constituents and the multiplicity of demands. First, to assess the number of institutional constituents affecting HRM, a list of constituents adapted from the work of Tsui (1990) was used. This list was presented to respondents, who were asked to indicate the degree to which they interact with each group when conducting their day-to-day business. A five-point Likert scale anchored by "no interaction" and "a great deal of interaction" was provided to respondents to identify their level of interaction. Second, respondents were asked to indicate the degree to which the groups identified as HRM constituents exert conflicting pressures on them. This was done in an effort to assess the multiplicity of demands, a variable with suggested importance when examining acquiescence to institutional demands (Oliver, 1991). Five items developed for this research were used to assess the degree to which constituents exert conflicting pressures on HRM. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of conflicting influence.

Content of Institutional Demands. Data provided about the organization by top manager respondents were used to classify the distinction between public and private sector organizations in the sample. A dichotomous variable was created in which a "0"

Table 4.2
Constructs and Variables Used to Measure the Environmental Antecedents of
Human Resource Manager Discretion

<u>Construct</u>	<u>Variable</u>
Institutional Constituents	Number of Constituents Multiplicity of Demands
Institutional Content	Public v. Private Sector Organization
Institutional Control	Legal Coercion Perceptions of Diffusion of Practices
Institutional Context	Environmental Uncertainty Interconnectedness of Institutional Environment
Resource Availability	Environmental Munificence Turnover Parish Unemployment Rate
General Industry Influences	Industry Instability

designated a private sector organization and a "1" designated a public sector organization.

Institutional Control. Two variables were used to assess control, the means by which institutional pressures are imposed on organizations: **legal coercion** and the **diffusion of HRM policies and practices**. First, a measure of legal coercion was developed for this study. Previously, research has suggested that legal coercion should be tapped by measuring not only the degree of legal and regulatory rules governing an organization, but also the scope of sanctions for noncompliance (Oliver, 1991). Therefore, the effect of the legal environment on HRM, was tapped using six items: three items each designed to assess the degree of legal coercion facing the HRM function and the degree of sanctions for noncompliance with the laws and regulations governing HRM. These six items were designed to tap human resource management respondents' perceptions of the level of legal coercion facing the HRM function in their organization.

The second measure of institutional control in this study focused on human resource manager perceptions of the diffusion of HRM policies and practices. Human resource manager respondents were asked to assess the degree to which they felt that coercive, mimetic, normative, and strategic factors influence the structure and content of HRM in their organization. As noted earlier, these influences have been identified as important indicators of the means by which institutional pressures are imposed on organizations. Four two-item scales developed for this research based on work by DiMaggio and Powell (1983) were designed to measure perceptions of coercive, mimetic, normative, and strategic influences. A five-point Likert scale anchored by

"strongly agree" and "strongly disagree" was provided to respondents; the measures were coded so that higher values indicated perceptions of higher levels of influence.

Institutional Context. To assess the institutional context within which environmental pressures are exerted, two categories of variables were examined: **environmental uncertainty** and the level of **interconnectedness** within the institutional environment. First, environmental uncertainty was measured using six items adapted from the work of Duncan (1972) on perceived environmental uncertainty. These items were used to assess state certainty, the human resource manager's ability to understand the major events and trends in an environment; effect certainty, his or her ability to understand what effects an environmental event or change will have on an organization; and response certainty, the ability of the human resource manager to understand what the response options to an environmental change are, as well as the likely effectiveness of each for achieving desired organizational outcomes. Second, the degree of interconnectedness within an institutional environment was measured using a methodology similar to that used by Ritzer and Trice (1969). Human resource managers were asked to indicate the number of business, professional, and membership organizations to which they belong, as well as their level of activity (zero through three, where zero indicates "inactive" and three indicates "very active") in each.

Resource Availability. To assess the external resources available to human resource managers, the munificence of the external labor market was measured. The munificence of the labor market has consistently been identified as an important indicator of the external resources available to HRM (e.g., Schuler & Jackson, 1995). Following

previous research, environmental munificence was operationalized with two variables: the unemployment rate for the area in which the organization is located and the organization's annual turnover rate. (cf., Bennett, Blum, & Roman 1994). The organization's annual turnover rate was collected from the report of the human resource manager. Data provided to the researcher by the State Department of Labor was used to specify the unemployment rate for both the parish and the MSA where the organization is located. In order to account for any short-term fluctuations in the unemployment rate, the average unemployment rate for the preceding 24 months (August 1994 - August 1996) was used in the analyses. Turnover was considered in conjunction with unemployment rate to indicate the degree to which the organization has to search outside the community for replacement labor.

General Industry Influences. Finally, top manager respondents were asked to assess industry instability as a more general assessment of environmental influences on human resource manager discretion. Top manager respondents assessed industry instability on the seven environment dimensions most commonly included in perceptual measures of environmental instability (Duncan, 1972; Guthrie & Olian, 1991; Miller & Friesen, 1983, 1984). These dimensions included manufacturing technology, market demand, product design, government regulation, and raw material availability, raw material price, and competitive rivalry. Following Guthrie and Olian (1991), these seven items were summed to form a perceptual measure of industry instability, with higher values indicating higher levels of industry instability.

Organizational Influences

Four categories of organizational variables were examined in the analyses that follow: internal resource availability, internal constituents, inertial forces, and the level of HRM integration. These variables were used to assess the degree to which the organization is amenable to an array of possible actions and empowers executives to execute those actions (Hambrick & Finkelstein, 1987). Table 4.3 provides summary descriptions of the constructs and variables used to measure organizational influences on human resource manager discretion.

Internal Resource Availability To assess the internal resources available to HRM, a personnel ratio was calculated for each organization. Following previous research, the personnel ratio (the ratio of HRM staff to total number of employees) (e.g., Tsui, 1990) was used to assess the financial resources available to HRM. It has been suggested that higher personnel ratios are one indicator of a munificent environment for HRM (Tsui, 1990).

Internal Constituents To assess the impact of institutional constituents on HRM, two variables were measured: the number of constituents and the multiplicity of demands. First, to assess the number of internal constituents affecting HRM, a list of constituents adapted from the work of Tsui (1990). This list was presented to respondents, who were asked to indicate the degree to which they interact with each group when conducting their day-to-day business. A five-point Likert scale anchored by "no interaction" and "a great deal of interaction" was provided to respondents to identify their level of interaction. The measure was coded so that higher values indicated

Table 4.3
Constructs and Variables Used to Measure the Organizational Antecedents of
Human Resource Manager Discretion

<u>Construct</u>	<u>Variable</u>
Internal Resource Munificence	Personnel Ratio
Internal Constituents	# Groups Interacting With HRM Conflicting Influences on HRM
Inertial Forces	Organizational Size Organizational Age
Human Resource Management Alignment with Strategy	HRM Integration

higher levels of interaction. Second, respondents were asked to indicate the degree to which the groups identified as HRM constituents exert conflicting pressures on them. This was done in an effort to assess the multiplicity of demands, a variable with suggested importance when examining acquiescence to institutional demands (Oliver, 1991). Five items developed for this research were used to assess the degree to which constituents exert conflicting pressures on HRM. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of conflicting influence.

Inertial Forces. Next, to assess the inertial forces facing organizations, two variables were included in the analyses: organizational size and organizational age. Although several indicators of inertia have been used previously to address an organization's inability to consider environmental change or variability, organizational size and age are two variables that have been most commonly used in HRM research. Further, HRM research has widely acknowledged the influence of size and age on variations in HRM (see Jackson & Schuler, 1995 for a review). Though financial indicators, such as the dollar value of capital assets and/or the dollar value of sales, are sometimes used as size indicators, HRM research most commonly uses number of employees to operationalize size (Jackson & Schuler, 1995). The total number of employees in each organization was based on information provided by human resource management respondents. Next, organizational age was computed by subtracting the year in which the organization was founded from 1996, the year of data collection.

Organization founding dates were based on information provided by top management respondents.

HRM Integration. Finally, to assess the level of integration between HRM and strategic management, a three-item scale based on work by Golden and Ramanujam (1985) was administered to human resource management respondents. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of HRM integration. Further, an additional measure of HRM integration developed by Huselid (1995) was presented to top management respondents. This measure is a behavioral indication of the emphasis each firm places on its alignment of human resource management with strategy and was used here as a complementary measure of the degree of HRM integration in the organization. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of HRM integration.

Human Resource Manager Influences

Four categories of individual-level variables were examined in this study: tolerance for ambiguity, formal educational attainment, locus of control, and informal power. As noted previously, these variables were used to assess the degree to which the human resource manager is personally able to formulate and execute multiple courses of action (Hambrick & Finkelstein, 1987). The inclusion of each of these variables is based on the notion that the characteristics of the human resource manager are important predictors of their discretion. Table 4.4 provides summary descriptions of the constructs

Table 4.4
Constructs and Variables Used to Measure the Managerial Antecedents of
Human Resource Manager Discretion

<u>Construct</u>	<u>Variable</u>
Preferences for Assurance of Success, Clear-Cut Answers, and Clear-Cut Expectations	Tolerance for Ambiguity
Formal Educational Attainment	Highest level of Education Completed
Degree to Which Human Resource Managers Believe That Outcomes Are Controlled by Their Own Actions	Locus of Control
Informal Power	Human Resource Manager Gender Years in HRM HRM Tenure Organizational Tenure

and variables used to measure the human resource manager antecedents of human resource manager discretion.

Tolerance for Ambiguity. Tolerance for ambiguity was measured using selected items from Norton's (1975) tolerance for ambiguity scale. These items tap preferences for assurance of success, clear-cut answers, and clear-cut expectations (Ashford & Cummings, 1985). Following Ashford and Cummings (1985), seven items suggested to best reflect the ambiguity experienced by organizational members were used. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of tolerance for ambiguity.

Formal Educational Attainment. Data on the educational attainment of human resource managers in the sample was collected from human resource management respondents. Respondents were asked to indicate the highest level of education that they completed.

Locus of Control. To assess locus of control, the degree to which human resource manager respondents believe that outcomes are controlled by their own actions or by external forces in their environments, an 8-item shortened version of Spector's (1988) work locus of control measure was used. A five-point Likert scale anchored by "agree very much" and "disagree very much" was provided to respondents; the measure was coded so that higher values indicated more of an internal locus of control.

Informal Power. Finally, to assess the informal power of the human resource manager, four variables were collected: gender, years in HRM, organizational tenure,

and organizational tenure in HRM. First, to assess the role of gender as a factor influencing a manager's power base, human resource manager gender was collected based on the report of the human resource management respondent. Previous research has suggested that women have traditionally operated from inferior power positions in most organizations (Ferris & Mitchell, 1987) and that men have consistently had greater access to resources for power than women (Ragins & Sundstrom, 1989). A dichotomous variable, with "0" designating men and "1" designating women was used to operationalize human resource manager gender. Three other human resource manager characteristics were also measured in an effort to assess informal power: years in HRM, organizational tenure, and HRM tenure with organization. In addition to providing information about unique HRM skills and experiences, these measures also serve to measure the degree of informal human resource manager power. Each of these three items was collected based on the reports of human resource management respondents.

Human Resource Manager Discretion

Measures of human resource manager discretion were developed for this study. As noted earlier, researchers have not yet developed measures of discretion to use in organizational research. Following previous suggestions (e.g., Hambrick & Finkelstein, 1987), human resource manager discretion was operationalized with multiple measures. In particular, three indicators tapping three dimensions of discretion were used in this study. Table 4.5 provides summary descriptions of the three dimensions of human resource managers discretion, structural, general, and specific, and sample items used to tap each.

Table 4.5
Components of Discretion

Dimension	Number of Items	Description of Dimension	Sample Item
Structural Discretion	5	The extent to which decision-making rules are present in the human resource manager's job	My job responsibilities are clearly specified in writing.
General Discretion	3	The extent to which the human resource manager's job provides choice and opportunity	How much choice do you have over tasks you perform in dealing with human resource problems?
Specific Discretion	7	The extent to which human resource managers have discretion in specific HRM decision areas	Please indicate how much discretion you have in the area of staffing / human resource planning.

First, based on a review of previous organizational literature, "structural discretion" was operationalized by measuring the extent to which decision making rules are present in the human resource manager's job. The decision to operationalize structural discretion in this manner is consistent with suggestions of previous literature, which has argued that theory and research on discretion may benefit from focusing on the strength of the situation (e.g., how clear-cut or unambiguous the situation is) to measure discretion (Hambrick & Abrahamson, 1995). Formalization, then, was measured with five items administered to human resource management respondents. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of discretion.

Next, human resource managers were asked to assess the "general discretion" in their jobs. Based on a review of previous literature on discretion and autonomy, three items were created to assess the extent to which the human resource manager's job offers choice and opportunity. General discretion was measured with three items administered to human resource management respondents. A five-point Likert scale anchored by "strongly agree" and "strongly disagree" was provided to respondents; the measure was coded so that higher values indicated higher levels of general discretion.

Finally, human resource managers were asked to assess discretion in specific HRM decision areas. Previous research has suggested that the examination of discretion in specific decision areas is important to improve the measurement of discretion (e.g., Hambrick & Finkelstein, 1987). Eight important human resource management activities,

identified in previous research by Tsui and Milkovich (1987), were used to assess specific discretion. These eight human resource management activities included: (a) staffing / human resource planning, (b) organization / employee development, (c) compensation / employee relations, (d) employee support, (e) legal compliance, (f) labor/ union relations, (g) policy adherence, and (h) administrative services. Because over one-third of respondents ($n = 38$) indicated that the item regarding labor / union relations was not applicable to their organization, this item was deleted; the remaining seven items were summed to assess specific discretion.

To assess the reliability of measurement of specific discretion, top management respondents were also asked to evaluate the specific discretion of the human resource managers. Top management, while expected to be familiar with the activities of the human resource manager, obviously cannot observe the human resource manager at all times. Despite this, however, previous research has suggested that the perceptions of others are important in the assessment of discretion (e.g., Hambrick & Finkelstein, 1987). Therefore, to assess the overall accuracy of the measure of specific human resource manager discretion, the same items described above that were administered to human resource management respondents were also given to top management respondents. Human resource management and top management evaluations of discretion were moderately correlated ($r = .45$). Absent any established criteria to evaluate the magnitude of this correlation as an indicator of agreement, the relative magnitude of the correlation between top and human resource manager evaluations of specific discretion does seem to indicate that there is some consistency between the two

respondents in their evaluations of discretion. Summary statistics of the three components of human resource manager discretion, structural, general, and specific, are presented in Table 4.6.

Table 4.6
Summary of Scales Used to Measure Discretion:
Mean, Standard Deviation, Number of Items, and Alpha

Scale	# Items	Mean	S.D.	Alpha
Structural Discretion	5	16	4.19	0.84
General Discretion	3	13	2.22	0.77
Specific Discretion	7	26	4.93	.80

Dissimilarity of HRM Practices

To measure the dissimilarity of human resource management practices across firms, a list of practices was given to human resource manager respondents. Specifically, human resource managers were given a list of 141 human resource management practices in each of seven areas: selection and placement, recruitment, training and development, compensation, benefits, health, safety and security, and other HRM policies and practices. This list was developed for this study based upon the Human Resource Certification Institute (HRCI) content outline of the body of knowledge in human resource management. The Human Resource Certification Institute, the human resource credentialing body founded by the Society of Human Resource Management, established the HRM body of knowledge to: guide the certification process of professionals in the HRM field and to reflect current HR knowledge and practice. Because it is based on the HRM body of knowledge, the list of HRM policies and practices developed for this study represents a conceptually meaningful list of available

policies and practices. Human resource managers were asked to indicate whether or not each of the 141 HRM practices is in place in their organization. A five-point Likert scale anchored by "absent" and "fully implemented" was used to assess the degree to which the HRM policies and practices in each of the seven areas had been implemented at each organization. Prior work has frequently employed a dummy variable to indicate the presence or absence of each practice; the measurement used here is more sensitive to the breadth of implementation of each practice (cf., Huselid, 1995).

The difference between the focal organization and all other organizations in the sample was calculated using the Euclidean distance measure. The Euclidean distance measure was used to calculate a relational measure for each of the seven HRM areas described above, as well the entire profile of practices. The use of the Euclidean distance measure has been extensive in the organizational literature to measure the distributional and compositional effects of variations in demography (e.g., Jackson et al., 1991; O'Reilly, Caldwell, & Barnett, 1989; Tsui, Egan, & O'Reilly, 1991). Typically, a relational demography score, the difference between an individual and all other individuals in the work unit on a specific demographic attribute, has been used to measure the relative homogeneity or heterogeneity of a group or organization. It has been suggested that such a coefficient of variation provides the most direct and scale invariant measure of dispersion (Allison, 1978).

To assess profile homogeneity, the similarity of human resource management practices across organizations, a relational measure was derived for each of the seven

areas of human resource management and for the entire profile of practices using the following formula:

$$\sqrt{\frac{\sum [(s_i - s_j)^2]}{(n-1)}}$$

where s_i is the response for individual i , and s_j represents the response for the j th member in a group of size n . In other words, this formula measures the square root of the mean squared distance in human resource structure and content between organizations. All measures were scaled in such a way that a large value always connotes a large distance. The organization with a large score on a relational measure differs more, in terms of the structure and content of human resource management practices, than organizations with smaller scores.

Control Variables

Three control variables were included in these analyses. Each has been proposed to be an important factor influencing the management of human resources (e.g., Schuler & Jackson, 1995).

Union Status. Union status was measured based on the report of the human resource management respondent. A dichotomous variable was created so that a "1" designated the presence of a union and a "2" designated no union.

Competitive Rivalry. The competitive rivalry facing the focal organization has been suggested as an important factor influencing both the structure and content of HRM (e.g., Schuler & Jackson, 1995), as well as the discretion available to managers in an organization (Hambrick & Finkelstein, 1987). Competitive rivalry was measured

based on the report of the top manager respondent, who was asked to indicate the instability of the competitive rivalry facing their organization. This measure was coded so that higher scores indicated higher levels of competitive rivalry facing the organization.

Industry. Finally, the industry in which the organization competes was included as a control variable in the analyses. Industry has been consistently been used as an important variable in previous HRM research (Schuler & Jackson, 1995). Industry was measured based on the report of top management respondents. Top management respondents were presented a list of nine primary industries, and were instructed to pick the primary industry in which their organization does business.

Summary

This chapter summarized the general research strategy, sample, and measures used in this study. In the next chapter, results of the data collection efforts are described, and the results of correlational and regression analyses are presented. Chapter 6 discusses the results as they pertain to the hypotheses presented in Chapter 3 and suggests directions for future research.

CHAPTER FIVE ANALYSES AND RESULTS

This chapter describes the analyses used to test the hypotheses developed in Chapter 3 and presents the results of the hypothesis tests.

Results of Data Collection Efforts

As detailed in Chapter 4, the data in this study were collected using two questionnaires. A case was considered valid only if both the human resource management and top management questionnaires were returned. A total of 109 usable questionnaires (23% response rate) were returned from the human resource manager respondents. A total of 112 usable questionnaires (24% response rate) were returned from top manager respondents. The final sample size (i.e., both the human resource manager and top manager questionnaires were returned) was 104 organizations (22% response rate). Summary characteristics of human resource management respondents, top management respondents, and their organizational characteristics are presented in Table 5.1.

Analyses

The hypotheses developed in Chapter 3 were tested using multiple regression analysis. Control variables, including union status, competitive rivalry, and industry, were included in all analyses. In order to use all the data, mean values were substituted for missing values for scale items from top and human resource management questionnaires. Because the missing data was randomly distributed and there was no systematic pattern of missing data, the use of mean replacements was deemed appropriate. Previous

Table 5.1
Summary Characteristics of Sample

<u>Human Resource Manager Characteristics</u>	<u>Coded</u>	<u>n</u>	<u>Percent</u>
<u>Gender</u>			
Male	1	44	42
Female	2	60	58
<u>Education</u>			
Grade School	1	0	0
Some High School	2	0	0
High School Graduate	3	3	3
Some College	4	18	17
College Graduate	5	34	33
Some Work - Advanced Degree	6	25	24
Advanced Degree	7	24	23
<u>Top Manager Characteristics</u>			
<u>Gender</u>			
Male	1	76	75
Female	2	25	25
<u>Education</u>			
Grade School	1	0	0
Some High School	2	0	0
High School Graduate	3	2	2
Some College	4	11	11
College Graduate	5	41	40
Some Work - Advanced Degree	6	13	13
Advanced Degree	7	36	35
<u>Organizational Characteristics</u>			
<u>Union Status</u>			
Union	1	11	11
No Union	2	93	89
<u>Industry</u>			
Agriculture, Forestry & Fisheries	1	0	0
Mining	2	1	1
Contract Construction	3	4	4
Manufacturing	4	20	19
Transportation, Communication, Electric, Gas & Sanitation	5	5	5
Wholesale & Retail Trade	6	9	8
Finance, Insurance & Real Estate	7	15	15
Services	8	44	42
Public Administration	9	5	5
<u>Sector</u>			
Public	1	77	74
Private	0	27	26
	<u>Mean</u>		<u>Range</u>
Number of Employees	631		5 - 11000

research suggests that mean replacement is a conservative approach to deal with missing data (Tabachnick & Fidell, 1983).

Results

Correlational Analyses

Appendix E reports a correlation matrix of all variables ($n = 104$) considered in this study, including environment, organization, and manager characteristics, human resource manager discretion, and HRM practice dissimilarity.

Results of Hypothesis Testing

Environmental Influences. The results of the analyses testing Hypotheses 1 through eight (those assessing environmental influences on human resource manager discretion) are shown in Tables 5.2 - 5.9. In these analyses, the three control variables (union status, industry, and competitive rivalry) were entered first, followed by the environmental variables of interest. Hypothesis 1 predicted that human resource manager discretion would be negatively associated with the number of institutional constituencies affecting the HRM department. No support for Hypothesis 1 was found. Neither the number of institutional constituencies, nor the multiplicity of demands exerted by the constituencies affecting HRM was a significant predictor of any of the three indicators of human resource manager discretion.

Hypothesis 2 predicted that human resource managers in private sector organizations would have more discretion than those in public sector organizations. Although this hypothesis did not receive support when general and specific discretion

Table 5.2
Effects of Institutional Constituents on Human Resource Manager Discretion

Independent Variables	STEP ONE CONTROL VARIABLES ONLY						STEP TWO TEST OF HYPOTHESIS					
	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Institutional Constituents												
Number Constituents							-0.08	0.1	0.05	0.05	0.14	0.12
Conflict							0.05	0.08	0.01	0.04	-0.09	0.1
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.35	0.24	0.14	0.12	-0.08	0.28
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-1.15	1.36	-0.79	0.72	-0.61	1.6
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.21	0.37	0.27	0.19	0.45	0.43
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	15.57***	3.87	11.42***	2.04	26.28***	4.54
R ²	0.034		0.047		0.02		0.045		0.055		0.042	
ΔR ²							0.011		0.008		0.022	
F	1.19		1.64		0.688		0.91		1.14		0.852	
ΔF							-0.27		-0.5		0.164	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.3
Effects of Institutional Content on Human Resource Manager Discretion

Independent Variables	STEP ONE CONTROL VARIABLES ONLY						STEP TWO TEST OF HYPOTHESIS					
	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Institutional Content												
Sector							3.11***	0.97	0.1	0.53	-0.89	1.2
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.1	0.24	0.08	0.13	-0.04	0.29
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.43	1.3	-0.75	0.72	-1.02	1.61
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.38	0.35	0.3	0.19	0.48	1.2
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	14.21***	2.83	12.39***	1.56	27.46***	3.5
R ²	0.035		0.047		0.02		0.126		0.057		0.026	
ΔR ²							0.091		0.01		0.006	
F	1.19		1.64		0.69		3.53**		1.49		0.65	
ΔF							2.34		-0.15		0.04	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.4
Legal Coercion: Effects of Institutional Control on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Institutional Control												
Legal Coercion							0.35**	0.11	-0.002	0.06	0.18	0.13
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	.45**	0.22	0.13	0.12	-0.08	0.27
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-1.03	1.29	-0.85	0.71	-0.88	1.58
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.19	0.34	0.26	0.19	0.55	0.42
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	7.36**	3.65	12.56***	2.02	23.31***	4.49
R ²	0.035		0.047		0.02		0.129		0.047		0.039	
ΔR ²							0.094		0		0.019	
F	1.19		1.64		0.69		3.62**		1.22		0.997	
ΔF							2.43		-0.42		0.307	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.5
Diffusion of Practices: Effects of Institutional Control on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Institutional Control												
Legal / Government							-0.53**	0.26	-0.15	0.14	-0.07	0.3
Normative							0.23	0.29	-0.15	0.16	-0.02	0.4
Mimetic							-0.12	0.31	0.22	0.17	0.05	0.4
Rational							0.6**	0.22	0.13	0.12	0.36	0.3
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.27	0.46*	0.24	0.17	0.13	-0.12	0.3
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.59	-1.2	1.35	-1.09	0.73	-1.13	1.6
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.42	0.29	0.36	0.31	0.19	0.64	0.4
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.48	13.28***	3.5	12.29***	1.88	25.01***	4.2
R ²	0.035		0.047		0.02		0.112		0.082		0.048	
ΔR ²							0.077		0.035		0.028	
F	1.19		1.64		0.69		1.71		1.21		0.69	
ΔF							0.52		-0.43		0	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.6
Environmental Uncertainty: Effects of Institutional Context on Human Resource Manager Discretion

Independent Variables	STEP ONE CONTROL VARIABLES ONLY						STEP TWO TEST OF HYPOTHESIS					
	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Institutional Context												
Environmental Uncertainty							-0.18	0.13	-0.24***	0.06	-0.19	0.15
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.43*	0.24	0.19	0.12	-0.06	0.28
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.94	1.34	-0.77	0.66	-0.8	1.58
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.09	0.36	0.16	0.18	0.46	0.43
Constant	14.93***	2.95	12.51	1.55	27.25***	3.5	17.1***	3.32	15.44***	1.65	29.59***	3.92
R ²	0.035		0.047		0.02		0.054		0.17		0.036	
ΔR ²							0.019		0.123		0.016	
F	1.19		1.64		0.69		1.39		5.02***		0.926	
ΔF							0.2		3.38		0.236	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.7
Environmental Interconnectedness: Effects of Institutional Context on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Institutional Context												
Number of Organizations							-0.69	0.49	.58**	0.25	0.66	0.58
Level of Activity							0.34*	0.21	-.21**	0.11	-0.27	0.25
Control Variables												
Industry	.38*	0.23	0.13	0.12	-0.12	0.3	0.37	0.23	0.13	0.12	-0.11	0.28
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.54	1.39	-0.95	0.72	-1.11	1.65
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.19	0.36	0.25	0.25	0.52	0.42
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	14.27	3.14	12.08***	1.63	27.22	3.72
R²	0.035		0.047		0.02		0.061		0.098		0.034	
ΔR²							0.026		0.051		0.014	
F	1.19		1.64		0.69		1.26		2.11*		0.68	
ΔF							0.07		0.47		0	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.8
External Resource Availability: Effects of Environmental Variables on Human Resource Manager Discretion

Independent Variables	STEP ONE CONTROL VARIABLES ONLY						STEP TWO TEST OF HYPOTHESIS					
	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Environmental Influences												
Unemployment Rate							2.76	1.8	1.84**	0.82	1.98	2
Turnover Rate							-0.01	0.02	-0.01	.01	0.02	0
Control Variables												
Industry	0.36	0.26	0.14	0.12	-0.23	0.29	0.41	0.26	0.17	0.12	-0.19	0.3
Union Status	-0.55	1.51	-1.36**	0.7	-0.91	1.7	-0.49	1.51	-1.31**	0.68	-0.95	1.7
Competitive Rivalry	0.22	0.39	0.18	0.18	0.57	0.44	0.19	0.39	0.16	0.18	0.57	0.5
Constant	14.09***	3.31	13.86***	1.54	28.42***	3.73	8.87*	4.87	10.52	2.21	23.94***	5.5
R ²	0.033		0.075		0.03		0.064		0.15		0.055	
ΔR ²							0.031		0.075		0.025	
F	0.901		2.16*		0.828		1.06		2.76**		0.91	
ΔF							0.159		0.6		0.082	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.9
Industry Instability: Effects of Environmental Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Environmental Influences												
Industry Instability							-0.12	0.13	0.01	0.07	0.09	0.16
Control Variables												
Industry	0.38	0.23	0.13	0.12	-0.12	0.3	0.39*	0.23	0.13	0.12	-0.13	0.28
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-1	1.35	-0.85	0.71	-0.86	1.59
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.42	0.46	0.24	0.24	0.35	0.54
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	16.27***	3.31	12.40***	1.75	26.28***	3.91
R ²	0.035		0.047		0.02		0.043		0.048		0.023	
ΔR ²							0.008		0.001		0.003	
F	1.19		1.64		0.69		1.09		1.22		0.59	
ΔF							-0.1		-0.42		-0.1	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

were the focal dependent variables, this hypothesis was supported with respect to structural discretion. Specifically, the distinction between public and private sector organization was a significant predictor of structural discretion ($b = 3.11, p \leq .001$). As expected, public sector organizations were associated with higher levels of formalization, indicating lower levels of human resource manager discretion.

Hypothesis 3 predicted a negative relationship between human resource manager discretion and the degree of legal coercion facing the HRM function. This hypothesis was supported with respect to structural discretion, although it was not supported when the focal dependent variables were general and specific discretion. The degree of legal coercion facing the HRM department, then, was a significant predictor of structural discretion ($b = .35, p \leq .05$). As expected, greater degrees of legal coercion were associated with higher formalization, indicating lower levels of human resource manager discretion.

Hypothesis 4 predicted that perceptions of the diffusion of institutional norms, values, and practices would explain the level of human resource manager discretion. While two of the perceptions of diffusion (coercive and rational influences) were significant predictors of human resource manager discretion, the results of the analyses did not support the predictions of Hypothesis 4. In particular, neither of the measures tapping "voluntary diffusion" of HRM practices (normative and mimetic forces) were significant predictors of any indicator of human resource manager discretion.

Hypothesis 5 predicted a negative relationship between the human resource manager's environmental uncertainty and his/her level of discretion. This hypothesis was

supported with respect to general discretion, but not structural or specific discretion. Specifically, the degree of environmental uncertainty facing the human resource manager was a significant predictor of general discretion ($b = -.24, p \leq .001$). As expected, greater degrees of environmental uncertainty were associated with lower levels of choice and opportunity, indicating lower levels of human resource manager discretion.

Hypothesis 6 predicted that the degree of interconnectedness in the institutional environment would be negatively associated with the level of human resource manager discretion. This hypothesis was supported with respect to both structural and general discretion. When specific discretion was the focal dependent variable of interest, however, the hypothesis was not supported. In particular, the human resource manager's level of activity in membership organizations was positively related to formalization, indicating lower levels of discretion ($b = .34, p \leq .10$). Further, both the number of business, professional, and membership organizations to which the human resource manager belongs ($b = .58, p \leq .05$) and the sum of the activity level in these organizations ($b = -.21, p \leq .05$) were significant predictors of general discretion, the extent to which the human resource manager perceives that his/her job offers choice and opportunity. Whereas the relationship between general discretion and the number of membership organizations the human resource manager belongs to is positive, the level of activity in these membership organizations was negatively related to perceived general discretion.

Hypothesis 7 predicted a positive relationship between resource availability (in terms of environmental munificence) and the level of discretion available to human

resource managers. As presented in Chapter 4, two variables were included in the analyses to operationalize external resource availability: two-year average unemployment rate for the area in which the firm was located, and the site's annual turnover rate. Only unemployment rate was found to be associated with one of the indicators of discretion; both turnover and unemployment rate were not related to any one indicator. Specifically, this study found unemployment rate to be positively associated with general discretion. As expected, human resource manager's perceptions of choice and opportunity were positively associated with unemployment rate ($b = 1.84$, $p \leq .05$).

Hypothesis 8, which predicted a negative relationship between industry instability and human resource manager discretion, was not supported by the results. Specifically, perceptions of industry stability were not significant in predicting any indicator of human resource manager discretion.

Organizational Influences. The results of the analyses testing Hypotheses 9 through 12 (those assessing organizational influences on human resource manager discretion) are shown in Table 5.10 - 5.13. In these analyses, the three control variables (union status, industry, and competitive rivalry) were entered first, followed by the organizational variables of interest.

Hypothesis 9 predicted a positive relationship between internal resource availability and human resource manager discretion. This hypothesis was not supported by these data. Specifically, the personnel ratio (ratio of HRM staff to total number of employees) was not related to any of the three indicators of discretion.

Table 5.10
Internal Resource Availability: Effects of Organizational Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Internal Resources												
Personnel Ratio							0.37	0.38	-0.03	0.19	-0.06	0.45
Control Variables												
Industry	0.37	0.24	0.15	0.12	-0.09	0.3	0.4*	0.24	0.15	0.12	-0.09	0.28
Union Status	-0.83	1.42	-1.12*	0.74	-1.29	1.7	-0.96	1.43	-1.21	0.74	-1.27	1.68
Competitive Rivalry	0.17	0.36	0.25	0.19	0.53	0.4	0.13	0.36	0.25	0.19	0.53	0.43
Constant	14.65***	3.04	13.1***	1.58	27.94***	3.6	16.34***	3.51	12.97***	1.83	27.67***	4.15
R ²	0.031		0.062		0.023		0.04		0.062		0.023	
ΔR ²							0.009		0		0	
F	1.05		2.15*		0.77		1.02		1.6		0.58	
ΔF							-0.03		-0.55		-0.19	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.11
Internal Constituents: Effects of Organizational Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Organizational Constituents												
Number of Constituents							0.12*	0.07	0.05	0.04	0.19**	0.08
Conflict							0.05	0.08	0.01	0.04	-0.09	0.09
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.43	0.23	0.15	0.12	-0.03	0.27
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.32	1.41	-0.52	0.74	0.38	1.64
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.22	0.36	0.27	0.19	0.47	0.42
Constant	14.93***	2.95	12.51	1.55	27.25***	3.5	8.78**	4.56	9.87***	2.41	20.42***	5.29
R ²	0.035		0.047		0.02		0.065		0.069		0.081	
ΔR ²							0.03		0.022		0.061	
F	1.19		1.64		0.69		1.35		1.43		1.7	
ΔF							0.16		-0.21		1.01	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.12
Inertial Forces: Effects of Organizational Variables on Human Resource Manager Discretion

Independent Variables	STEP ONE CONTROL VARIABLES ONLY						STEP TWO TEST OF HYPOTHESIS					
	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Organizational Influences												
Size							0.53	0.33	0.06	0.18	-0.13	0.39
Age							-0.01	0.01	-0.003	0.01	-0.03**	0.01
Control Variables												
Industry	0.32	0.24	0.13	0.13	-0.1	0.3	0.26	0.24	0.12	0.13	-0.13	0.28
Union Status	-0.83	1.43	-1.21*	0.74	-1.28	1.7	-0.61	1.44	-1.2	0.76	-1.52	1.68
Competitive Rivalry	0.15	0.37	0.24	0.19	0.52	0.4	0.13	0.36	0.23	0.19	0.47	0.43
Constant	14.99***	3.09	13.29***	1.6	28.01***	3.6	12.43**	3.72	13.21***	1.95	30.77***	4.34
R ²	0.023		0.053		0.022		0.054		0.058		0.074	
ΔR ²							0.031		0.005		0.052	
F	0.75		1.79		0.73		1.05		1.15		1.48	
ΔF							0.3		-0.64		0.75	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.13
HRM Integration: Effects of Organizational Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Organizational Influences												
HRM Integration							0.27**	0.23	0.29***	0.06	0.61***	0.14
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.41*	0.23	0.17	0.11	-0.04	0.25
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.72	1.33	-0.54	0.65	-0.22	1.48
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.11	0.35	0.2	0.17	0.42	0.39
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	11.35**	3.38	8.6***	1.64	19.2	3.74
R ²	0.035		0.047		0.02		0.075		0.22		0.17	
ΔR ²							0.04		0.17		0.15	
F	1.19		1.64		0.69		1.99*		6.93***		5.03***	
ΔF							0.8		5.29		4.34	

(table con'd)

Organizational Influences												
SIRM Index												
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.44*	0.23	0.16	0.12	-0.05	0.27
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-1.34	1.32	-1.04	0.69	-1.26	1.55
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.06	0.35	0.2	0.18	0.41	0.41
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	11.16***	3.21	10.4***	1.68	22.82***	3.78
R ²	0.035		0.047		0.02		0.098		0.118		0.084	
ΔR ²							0.063		0.071		0.064	
F	1.19		1.64		0.69		2.65**		3.28**		2.25*	
ΔF							1.46		1.64		1.56	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Hypothesis 10 predicted that human resource manager discretion would be negatively associated with the number of internal constituencies affecting the HRM department. This hypothesis received mixed support. As predicted, the number of internal constituencies was positively related to the level of structural discretion ($b = .12, p \leq .10$). Contrary to predictions, however, the number of internal constituencies was positively related to the level of specific discretion ($b = .19, p \leq .05$).

Hypothesis 11 predicted a negative relationship between inertial forces and human resource manager discretion. This hypothesis was supported with regard to specific discretion, but not structural or general discretion. As expected, the age of the organizations in the sample was negatively associated with the level of specific human resource manager discretion ($b = -.03, p \leq .05$).

Hypothesis 12 predicted a positive relationship between the level of HRM integration and the level of human resource manager discretion. As presented in Chapter 3, two measures of the level of HRM integration were used in separate analyses in this study: an HRM Integration Index presented to human resource manager respondents and a SHRM index presented to top management respondents. Results of these analyses indicate support for Hypothesis 12 with respect to general and specific discretion. First, as expected, both the HRM index ($b = .29, p \leq .001$) and SHRM index ($b = .11, p \leq .001$) were positively associated with the level of general discretion. Additionally, both the HRM index ($b = .61, p \leq .001$) and SHRM index ($b = .23, p \leq .001$) were positively associated with the level of specific human resource manager discretion. Contrary to predictions, however, both the HRM index ($b = .27, p \leq .05$) and SHRM index ($b = .19,$

$p \leq .001$) were positively associated with the level of structural discretion, indicating low levels of human resource manager discretion.

Managerial Influences. The results of the analyses testing Hypotheses 13 - 16 (those assessing managerial influences on human resource manager discretion) are shown in Tables 5.14 - 5.17. In these analyses, the three control variables (union status, industry, and competitive rivalry) were entered first, followed by the managerial variables of interest.

Hypothesis 13 predicted a positive relationship between tolerance for ambiguity and the level of human resource manager discretion. This hypothesis was not supported. Tolerance for ambiguity was not significantly associated with any of the indicators of human resource manager discretion.

Hypothesis 14 predicted a positive relationship between the human resource manager's educational attainment and their level of discretion. This hypothesis was supported with respect to general discretion, but not structural or specific discretion. Specifically, the human resource manager's level of educational attainment was positively associated with perceptions of general discretion ($b = .54$, $p \leq .05$). As expected, educational attainment was positively related to the level of human resource manager discretion.

Hypothesis 15 predicted a positive relationship between internal locus of control and level of human resource manager discretion. This hypothesis was supported re: general and specific discretion. In particular, as expected, locus of control was a significant predictor of both general discretion ($b = -.14$, $p \leq .05$) and the level of

Table 5.14
Tolerance for Ambiguity: Effects of Managerial Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Managerial Influences												
Tolerance for Ambiguity							-0.02	0.09	0.05	0.05	0.03	0.11
Control Variables												
Industry	.38*	0.23	0.13	0.12	-0.12	0.3	0.37	0.24	0.15	0.12	-0.11	0.28
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-1.03	1.36	-0.79	0.71	-0.83	1.6
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.17	0.36	0.24	0.19	0.53	0.43
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	15.36	3.69	11.35***	1.93	26.56***	4.35
R ²	0.035		0.047		0.02		0.035		0.057		0.02	
ΔR ²							0		0.01		0	
F	1.19		1.64		0.69		0.89		1.48		0.53	
ΔF							-0.3		-0.16		-0.16	

• p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.15
Educational Attainment: Effects of Managerial Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Managerial Influences												
HR Manager Education							0.6	0.37	.54**	0.19	0.3	0.45
Control Variables												
Industry	0.38*	0.23	0.12	0.12	-0.12	0.3	.44*	0.23	0.18	0.12	-0.09	0.28
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.94	1.34	-0.8	0.68	-0.83	1.59
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.13	0.36	0.23	0.18	0.52	0.42
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	11.22**	3.73	9.14***	1.91	25.42***	4.45
R ²	0.035		0.047		0.02		0.059		0.12		0.025	
ΔR ²							0.024		0.07		0.005	
F	1.19		1.64		0.69		1.55		3.34***		0.623	
ΔF							0.36		1.7		-0.006	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.16
Locus of Control: Effects of Managerial Variables on Human Resource Manager Discretion

STEP ONE CONTROL VARIABLES ONLY							STEP TWO TEST OF HYPOTHESIS					
Independent Variables	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Managerial Influences												
Locus of Control							-0.24**	0.11	-0.14**	0.06	-.28**	0.13
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.41*	0.23	0.14	0.12	-0.09	0.27
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-1.11	1.32	-0.91	0.69	-0.98	1.56
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.07	0.35	0.21	0.19	0.43	0.42
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	19.15***	3.49	14.88***	1.83	32.17***	4.11
R ²	0.035		0.47		0.2		0.079		0.097		0.065	
ΔR ²							0.044		0.05		0.045	
F	1.19		1.64		0.69		2.11*		2.64**		1.69	
ΔF							0.92		1		1	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.17
Informal Political Power: Effects of Managerial Variables on Human Resource Manager Discretion

Independent Variables	STEP ONE CONTROL VARIABLES ONLY						STEP TWO TEST OF HYPOTHESIS					
	Structural Discretion		General Discretion		Specific Discretion		Structural Discretion		General Discretion		Specific Discretion	
	b	SE	b	SE	b	SE	b	SE	b	SE	b	SE
Informal Political Power												
HR Manager Gender							0.03	0.92	0.05	0.49	0.41	1.1
HRM Tenure							0.07	0.06	0.01	0.03	0.01	0.1
Organization Tenure							0.03	0.07	-0.01	0.04	0.03	0.1
Current Position Tenure							-0.13	0.16	-0.05	0.08	-0.07	0.2
Control Variables												
Industry	0.38*	0.23	0.13	0.12	-0.12	0.3	0.37	0.25	0.11	0.13	-0.12	0.3
Union Status	-1.01	1.35	-0.85	0.71	-0.86	1.6	-0.94	1.44	-1.07	0.76	-0.87	1.7
Competitive Rivalry	0.16	0.36	0.26	0.19	0.54	0.4	0.15	0.36	0.26	0.19	0.55	0.4
Constant	14.93***	2.95	12.51***	1.55	27.25***	3.5	14.07***	3.49	13.02***	1.84	26.53***	4.2
R ²	0.035		0.047		0.02		0.057		0.061		0.023	
ΔR ²							0.022		0.014		0.0003	
F	1.19		1.64		0.69		0.82		0.876		0.32	
ΔF							-0.37		-0.764		-0.37	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

perceived specific discretion ($b = -.28, p \leq .05$). Contrary to predictions, however, locus of control was negatively related to structural discretion ($b = -.24, p \leq .05$). As such, an external locus of control was associated with low formalization, indicating higher levels of human resource manager discretion.

Hypothesis 16 predicted a positive relationship between informal political power and human resource manager discretion. This hypothesis was not supported. None of the measures of informal political power were significantly associated with any of the indicators of human resource manager discretion.

Dissimilarity of HRM Practices. The results of the analyses testing the final hypothesis, Hypotheses 17 (those assessing discretionary influences on the structure of human resource management practices) are shown in Tables 5.18 - 5.25.

Hypothesis 17 predicted that human resource manager discretion would be positively associated with the dissimilarity of human resource management practices across organizations. This hypothesis was supported with respect to the dissimilarity of selection and placement practices across organizations. In particular, the results of the analyses indicated that general discretion was a significant predictor of dissimilarity in selection and placement practices across firms ($b = .01, p \leq .10$).

Summary

To summarize, the analyses presented here indicated support for several of the hypotheses presented in Chapter 3. Results of hypotheses tests by indicator of discretion are shown in Table 5.26. The tests of Hypotheses 1 through 16, using three indicators of human resource manager discretion, found evidence in varying degrees supporting

Table 5.18
Effects of Discretion on Dissimilarity in Selection and Placement Practices

Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	<u>Dissimilarity Selection & Placement</u>		<u>Dissimilarity Selection & Placement</u>	
	b	SE	b	SE
Structural Discretion			-0.00	0.03
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.03**	0.01	-0.03**	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.18	0.03***	0.18***	0.03
R ²	0.06		0.06	
ΔR ²				
F	2.18*		1.63	
ΔF			-0.55	
General Discretion			0.01*	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.03**	0.01	-0.02*	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.18	0.03***	0.14***	0.04
R ²	0.06		0.08	
ΔR ²			0.02	
F	2.18*		2.34*	
ΔF			0.16	
Specific Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.03**	0.01	-0.03**	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.18	0.03***	0.16***	0.04
R ²	0.06		0.07	
ΔR ²			0.01	
F	2.18*		1.84	
ΔF			-0.34	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.19
Effects of Discretion on Dissimilarity in Recruitment Practices

Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	<u>Dissimilarity</u> b	<u>Recruitment</u> SE	<u>Dissimilarity</u> b	<u>Recruitment</u> SE
Structural Discretion			0.00	0.02
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.01*	0.01	-0.02*	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.15***	0.02	0.14***	0.02
R ²	0.06		0.06	
ΔR ²				
F	2.02		1.64	
ΔF			-0.38	
General Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.01*	0.01	-0.16*	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.15***	0.02	0.13***	0.03
R ²	0.06		0.07	
ΔR ²			0.01	
F	2.02		1.94	
ΔF			-0.08	
Specific Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.01*	0.01	-0.02*	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.15***	0.02	0.12***	0.03
R ²	0.06		0.07	
ΔR ²			0.01	
F	2.02*		1.98*	
ΔF			-0.04	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.20
Effects of Discretion on Dissimilarity in Training and Development Practices

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Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	<u>Dissimilarity</u> b	<u>Training & Dev</u> SE	<u>Dissimilarity</u> b	<u>Training & Dev</u> SE
Structural Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.03**	0.01	-0.03***	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.16***	0.02	0.15***	0.02
R ²	0.11		0.13	
ΔR ²			0.02	
F	4.14**		3.63**	
ΔF			-0.51	
General Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.03**	0.01	-0.03***	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.16***	0.02	0.16	0.03
R ²	0.11		0.11	
ΔR ²				
F	4.14**		3.14**	
ΔF			-1.00	
Specific Discretion			-0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.03**	0.01	-0.03***	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.16***	0.02	0.17***	0.02
R ²	0.11		0.12	
ΔR ²			0.01	
F	4.14**		3.12**	
ΔF			-1.02	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.21
Effects of Discretion on Dissimilarity in Compensation Practices

Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	<u>Dissimilarity</u> b	<u>Compensation</u> SE	<u>Dissimilarity</u> b	<u>Compensation</u> SE
Structural Discretion			0.00	0.00
Control Variables				
Industry	-0.00*	0.00	-0.00*	0.00
Union Status	-0.02*	0.01	-0.02	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.16***	0.02	0.15***	0.03
R ²	0.07		0.07	
ΔR ²				
F	2.46*		1.93	
ΔF			-0.53	
General Discretion			0.00	0.00
Control Variables				
Industry	-0.00*	0.00	-0.00*	0.00
Union Status	-0.02*	0.01	-0.02	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.16***	0.02	0.13***	0.03
R ²	0.07		0.09	
ΔR ²			0.02	
F	2.46*		2.32*	
ΔF			-0.14	
Specific Discretion			-0.00	0.00
Control Variables				
Industry	-0.00*	0.00	-0.00*	0.00
Union Status	-0.02*	0.01	-0.02*	0.01
Competitive Rivalry	0.00	0.00	0.03	0.00
Constant	0.16***	0.02	0.18***	0.03
R ²	0.07		0.09	
ΔR ²			0.02	
F	2.46*		2.44*	
ΔF			-0.02	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.22
Effects of Discretion on Dissimilarity in Benefits Practices

Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	Dissimilarity b	Benefits SE	Dissimilarity b	Benefits SE
Structural Discretion			-0.00	0.00
Control Variables				
Industry	-0.00*	0.00	-0.00*	0.00
Union Status	-0.00	0.00	-0.00	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.09***	0.02	0.10***	0.02
R ²	0.03		0.04	
ΔR ²			0.01	
F	1.13		0.90	
ΔF			-0.23	
General Discretion			0.00	0.00
Control Variables				
Industry	-0.00*	0.00	-0.00*	0.00
Union Status	-0.00	0.00	-0.00	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.09***	0.02	0.09***	0.02
R ²	0.03		0.03	
ΔR ²				
F	1.13		0.86	
ΔF			-0.27	
Specific Discretion			0.00	0.00
Control Variables				
Industry	-0.00*	0.00	-0.00*	0.00
Union Status	-0.00	0.00	-0.00	0.00
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.09***	0.02	0.07***	0.02
R ²	0.03		0.05	
ΔR ²			0.02	
F	1.13		1.34	
ΔF			0.21	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.23
Effects of Discretion on Dissimilarity in Health, Safety, & Security Practices

Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	<u>Dissimilarity</u> b	<u>Health, Safety, Security</u> SE	<u>Dissimilarity</u> b	<u>Health, Safety, Security</u> SE
Structural Discretion			0.00	0.00
Control Variables				
Industry	0.00	0.00	0.00	0.00
Union Status	-0.01	0.01	-0.14	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.15***	0.03	0.14***	0.03
R ²	0.05		0.06	
ΔR ²			0.01	
F	1.71		1.49	
ΔF			-0.22	
General Discretion			0.00	0.00
Control Variables				
Industry	0.00	0.00	0.00	0.00
Union Status	-0.01	0.01	-0.01	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.15***	0.03	0.15***	0.03
R ²	0.05		0.05	
ΔR ²				
F	1.71		1.29	
ΔF			-0.42	
Specific Discretion			-0.00	0.00
Control Variables				
Industry	0.00	0.00	0.00	0.00
Union Status	-0.01	0.01	-0.02	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.15***	0.03	0.16***	0.03
R ²	0.05		0.05	
ΔR ²				
F	1.71		1.28	
ΔF			-0.43	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.24
Effects of Discretion on Dissimilarity in "Other" HRM Practices

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Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	Dissimilarity b	Other Practices SE	Dissimilarity b	Other Practices SE
Structural Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.02*	0.01	-0.01*	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.13***	0.02	0.12***	0.02
R ²	0.05		0.06	
ΔR ²			0.01	
F	1.88		1.75	
ΔF			-0.13	
General Discretion			0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.02*	0.01	-0.02*	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.13***	0.02	0.12***	0.03
R ²	0.05		0.06	
ΔR ²			0.01	
F	1.88		1.48	
ΔF			-0.40	
Specific Discretion			-0.00	0.00
Control Variables				
Industry	-0.00	0.00	-0.00	0.00
Union Status	-0.02*	0.01	-0.02*	0.01
Competitive Rivalry	0.00	0.00	0.00*	0.00
Constant	0.13***	0.02	0.16***	0.03
R ²	0.05		0.08	
ΔR ²			0.03	
F	1.88		2.06	
ΔF			0.18	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.25
Effects of Discretion on Dissimilarity in HRM Practices

109

Independent Variables	STEP ONE CONTROL VARIABLES ONLY		STEP TWO TEST OF HYPOTHESIS	
	<u>Dissimilarity</u> b	<u>HRM Practices</u> SE	<u>Dissimilarity</u> b	<u>HRM Practices</u> SE
Structural Discretion			0.00	0.00
Control Variables				
Industry	-0.02	0.00	-0.00*	0.00
Union Status	-0.02**	0.01	-0.02**	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.12***	0.02	0.11***	0.02
R ²	0.13		0.14	
ΔR ²			0.01	
F	5.01**		4.09**	
ΔF			-0.92	
General Discretion			0.00	0.00
Control Variables				
Industry	-0.02	0.00	-0.00	0.00
Union Status	-0.02**	0.01	-0.02**	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.12***	0.02	0.11***	0.02
R ²	0.13		0.14	
ΔR ²			0.01	
F	5.01**		3.87**	
ΔF			-1.14	
Specific Discretion			-0.00	0.00
Control Variables				
Industry	-0.02	0.00	-0.00	0.00
Union Status	-0.02**	0.01	-0.02**	0.01
Competitive Rivalry	0.00	0.00	0.00	0.00
Constant	0.12***	0.02	0.13***	0.02
R ²	0.13		0.14	
ΔR ²			0.01	
F	5.01**		4.02**	
ΔF			-0.99	

* p ≤ .10 ** p ≤ .05 *** p ≤ .001

Table 5.26
Summary Results of Hypothesis Tests

Hypothesis	<u>Structural Discretion</u>	<u>General Discretion</u>	<u>Specific Discretion</u>
1 human resource manager discretion associated with number of external constituencies	NS	NS	NS
2 human resource manager discretion associated with organizational sector	S	NS	NS
3 human resource manager discretion associated with degree of legal coercion facing HRM	S	NS	NS
4 human resource manager discretion associated with perceptions of diffusion of institutional norms	NS	NS	NS
5 human resource manager discretion associated with level of environmental uncertainty	NS	S	NS
6 human resource manager discretion associated with interconnectedness of environment	S	S	NS
7 human resource manager discretion associated with environmental munificence	NS	NS	NS
8 human resource manager discretion associated with industry instability	NS	NS	NS
9 human resource manager discretion associated with internal resources	NS	NS	NS
10 human resource manager discretion associated with number of internal constituencies	NS	NS	NS
11 human resource manager discretion associated with inertial forces	NS	NS	S
12 human resource manager discretion associated with HRM integration	NS	S	S
13 human resource manager discretion associated with tolerance for ambiguity	NS	NS	NS
14 human resource manager discretion associated with human resource manager education level	NS	S	NS
15 human resource manager discretion associated with locus of control	NS	S	S
	<u>Dissimilarity of HRM Practices</u>		
16 human resource manager discretion associated with dissimilarity of HRM practices	S		

Hypotheses 2, 3, 5, 6, 11, 12, 14, and 15. No support was found for Hypotheses 1, 4, 7, 8, 9, 13, and 16. Hypothesis 10 received mixed support. Finally, Hypothesis 17, which addressed the role of human resource manager discretion in predicting dissimilarity of human resource management practices across organizations was partially supported. These results will be discussed in detail in Chapter 6.

CHAPTER SIX DISCUSSION AND CONCLUSIONS

This chapter discusses the results presented in Chapter 5. Specifically, this discussion elaborates on the supported hypotheses, the unsupported hypotheses, as well as the unexpected findings. The contributions and limitations of the study are discussed. Implications for practice and for future research are also outlined.

As presented in Chapter 2, the general research question being addressed in this study is: Does human resource manager discretion make a contribution to our understanding of the determinants of human resource management practices across organizations? The results of this study do provide some support for the discretion - HRM structure relationship, indicating that discretion may be a consequential variable in HRM. The impetus for this study, the choice-determinism debate in the organizational literature and the prevailing view that organizational outcomes are largely determined by either strategic choice or environmental determinism, led to the development of the model of human resource manager discretion presented in Chapter 3. This study proposed that an understanding of discretion may aid in our understanding of how and when choice or environmental determinism best describes organizational processes. To this end, the model presented here as a departure for future HRM research proposed: a) that discretion is a function of environmental, organizational, and managerial characteristics, and b) that discretion influences the structure and content of human resource management practices across organizations. As this chapter will discuss, each of these general research questions received some support.

Research Findings

In general, this results of the analyses presented in Chapter 5 indicate some support for the model of human resource manager discretion presented in Chapter 2. This study found evidence that variables in three categories, environment, organization, and manager, each play some role in explaining one of the three indicators of human resource manager discretion proposed in this study. As this chapter will discuss, the independent variables were not equally effective in predicting discretion. This opens up an area for future research to consider: the relative impact of environment, organization, and managerial characteristics on discretion. Further, this study found some support for the proposed relationship between human resource manager discretion and variations in human resource management practices across organizations, indicating that human resource manager discretion is a consequential variable in organizations.

Supported Hypotheses

Environmental Influences. In general, environmental influences on human resource manager discretion were associated with structural (the level of formalization of the human resource manager's job) and general (the extent to which the human resource manager's job offers choice and opportunity) measures of discretion. In support of Hypothesis 2, for example, the distinction between public and private sector was found to be significantly associated with structural discretion. As expected, human resource managers in public sector organizations were more likely to have formalized human resource manager positions. This finding supports previous contentions that the congruence between institutional pressures and organizational goals is particularly strong

for public sector organizations. The limiting influence on the discretionary sets of human resource managers in public sector organizations, which has been suggested by previous literature, was supported by this study.

Governments at the federal, state, and local level often use their power to authorize policies and structures that organizations within the public sector adopt (Scott, 1987). These processes have contributed to the wide adoption of personnel policies such as affirmative action and due process (Baron, Dobbin, & Jennings, 1986; DiMaggio & Powell, 1983). Because public organizations are dependent on the government for a major portion of their budgets, power rests more with the resource provider (Pfeffer & Salancik, 1978) than with individual managers. Managerial characteristics associated with choice, such as discretion, are more likely to be limited. Salancik and Pfeffer (1977), for example, in their study of the effects of individual mayors on managerial practices, found that mayors had the least discretion over budget categories that were subject to pressure from powerful constituencies (e.g., police and highways). This is consistent with arguments in previous literature and the findings here: human resource managers in public sector organizations are more likely to be expected to act within "accepted bounds" (e.g., Hambrick & Finkelstein, 1987).

Support for Hypothesis 3 -- a negative relationship between human resource manager discretion and the degree of legal coercion facing the HRM function -- was found in the relationship between legal coercion and structural discretion. As expected, higher levels of legal coercion were associated with higher levels of formalization.

Previous research has suggested that an important force for institutional control, the means by which pressures are imposed on organizations, is legal coercion. This study found that legal constraints are an important correlates of structural discretion, thus supporting previous research's suggestions about the role of the legal environment in HRM (Ledvinka & Scarpello, 1992). These results, in particular, indicate that legal constraints (both the perceptions of the degree to which laws and regulations impact the management of HRM and the extent to which sanctions for noncompliance are severe) impact the amount of choice, or discretion, available to the human resource manager.

In support of Hypothesis 5, human resource managers' levels of environmental uncertainty were negatively associated with general discretion. In particular, results indicated that human resource manager's with lower levels of environmental uncertainty were more likely to perceive higher levels of choice and opportunity in their jobs. This finding supports the general argument that institutional pressures tend to limit the discretionary sets of human resource managers.

More specifically, both institutional and resource dependence theorists suggest that organizational decision makers have a strong preference for certainty, stability, and predictability (DiMaggio, 1988; Pfeffer & Salancik, 1978). Organizational literature has focused on the fact that organizational decision makers may strive to make rational (e.g., fully informed) decisions, but they often find themselves making decisions with less than complete information. In an "information vacuum" (e.g., a situation with high environmental uncertainty), managers are more likely to pursue options that have little to do with either efficiency or goal attainment (Galaskiewicz & Wasserman, 1989). The

finding here that environmental uncertainty is associated with human resource manager discretion may provide insight into the underlying nature of this proposed relationship. Perhaps the reason that environmental uncertainty affects organizational structure is that discretion limits the choice and activeness managers have in shaping those structures.

The proposed relationship between the interconnectedness of the institutional environment and the level of human resource manager discretion was also supported by the results of the analyses. As predicted, human resource managers who reported higher levels of interconnectedness also perceived higher levels of both structural and general discretion. An interconnected environment, one in which the organizational actor is a member of many business, professional, and other membership organizations, is said to provide relational channels that facilitate consensus on institutional norms (DiMaggio & Powell, 1983; Meyer & Rowan, 1977). As such, business and professional circles have a set of "routine" or "acceptable" solutions to certain managerial or professional problems (Galaskiewicz & Wasserman, 1989). Further, these solutions may be institutionalized in the occupational subculture of the profession (e.g., human resource management). These standards of behavior are communicated to managers through the various professional, business, and membership organizations to which they belong. Further, it has been suggested that because of their societal or professional values and norms, managers pursue strategies without reflecting on alternative courses of action or consciously weighing options (Galaskiewicz & Wasserman, 1989).

The results of this study support these assertions -- higher levels of interconnectedness were associated with lower levels of discretion. Interestingly, the findings of these analyses also point to an interesting notion about the measurement of interconnectedness. The activity level of the human resource manager in the various business and professional organizations was the important predictor of discretion. The number of organizations to which the human resource manager belongs, on the other hand, was not a significant predictor of discretion. In fact, the correlation between the two variables was positive. This seems to indicate that a more accurate assessment of interconnectedness is the extent to which an organizational member is involved in various business, professional, and other membership organizations, rather than a simple count of the number of organizations to which the manager belongs. Past research (e.g., Goodstein, 1994) has operationalized interconnectedness as a simple count of the number of the business, professional, and membership organizations within a particular area. This research has not found any support for the proposed relationship between interconnectedness and employer responses, and in fact, it has suggested that a finer-grained measure might better capture the true nature of environmental connectedness; these findings support those contentions. To more accurately assess the interconnectedness of an organizational actor's institutional environment, then, the findings of this study indicate that future research should consider using level of activity that an organizational member has in the various business, professional, and other membership organizations to assess interconnectedness.

Organizational Influences. Whereas the environmental influences on discretion were correlated with structural and general measures of discretion, the relationships found between discretion and organizational variables involved general (the extent to which the human resource manager's job offers choice and opportunity) and specific (the extent to which human resource managers perceived their level of discretion in eight important human resource management activities) discretion. First, for example, organization age, a measure of inertia, was negatively associated with the level of specific human resource manager discretion. These results indicate that human resource managers in older organizations tend to perceive less specific discretion in the various human resource management activities. This result is consistent with previous research which has suggested that inertia is an important organizational variable precluding choice (Hambrick & Finkelstein, 1987; Hannan & Freeman, 1977). This result is also consistent with previous research that has argued that older organizations may develop a response consistency that limits any new search behavior (March & Simon, 1958). In the area of human resource management, Eisenhardt (1988), for example, found that the age of department stores affected their compensation choices. Compensation decisions at established stores were those typical of practice at the time of the store's creation; newer stores were more likely to consider a wider range of compensation policies and practices. The results of this study parallel these findings; inertial forces (and in particular, an organization's age) seem to play an important role in determining a human resource manager's specific discretion level. Specific human resource management decisions, such

as compensation, selection and recruitment, are likely to be affected by an organization's history, and this history also appears to limit managerial discretion.

The analyses also revealed a relationship between HRM integration and discretion. As expected, both indicators of human resource management integration were significantly associated with both general and specific discretion. This finding is particularly interesting given the current focus on strategic human resource management and the large number of conceptual and practitioner-oriented articles calling for higher levels of integration between HRM and business strategy (e.g., Buller, 1988; Golden & Ramanujam, 1985). In particular, these results focus on another possible "side-effect" of HRM integration -- the discretion available to human resource managers.

More specifically, Hambrick and Finkelstein (1987) suggested that the internal political conditions of the organization play an important role in determining discretion. In particular, they argued that the more influence the organization's context provides the chief executive, the greater the discretion afforded by that executive. In their discussion of CEO discretion, they focused on issues such as composition and loyalties of the board of directors as an important indicator of when a CEO is in the "in group." Recent literature in SHRM has identified HRM integration as a significant factor in the HRM context that provides human resource managers more importance. Further, the level of integration between HRM and strategic management has been suggested as an appropriate measure of the importance of the HRM function in the organization (Feuille & Chachere, 1995). The results of this study here support these assertions; HRM integration appears to be an important organizational variable with implications, not only

for the strategic management of human resources, but also for the level of discretion available to human resource managers.

Managerial Influences. In general, managerial influences on human resource manager discretion were associated with general (the extent to which the human resource manager's job offers choice and opportunity) and specific (the extent to which human resource managers perceived their level of discretion in eight important human resource management activities) discretion. In support of Hypothesis 14, for example, human resource manager education level was found to be positively associated with general discretion, the level of perceived choice and opportunity in their position. Previous research has suggested that education level is positively associated with high capacity for information processing and ability to discriminate among a variety of stimuli (Schroeder, Driver & Streufert, 1967). Further, Hambrick and Finkelstein (1987) suggest that managers' discretionary sets are constrained by their ability to cognitively process different alternatives simultaneously. The positive finding here between education and discretion supports these contentions.

Further, high levels of education have consistently been associated with receptivity to innovation (Becker, 1970; Hambrick & Mason, 1984). That is, highly educated managers may be more favorably predisposed toward, and more likely to promote innovation (Hitt & Tyler, 1991). Given the predicted relationship between discretion and a manager's ability to identify and implement alternative courses of action, the finding here that discretion is associated with education level may provide insight into the underlying relationship between education and innovation. Manager discretion, then,

may be the underlying mechanism through which education affects innovation. As such, education, which is expected to improve the ability of a manager to perceive options and to process information regarding competing alternatives, may lead to higher levels of discretion, which may be associated with the manager's ability to implement innovative alternatives.

Support for Hypothesis 15 -- a positive relationship between human resource manager discretion and the human resource manager's internal locus of control-- was found in the relationship between locus of control and both general and specific discretion. As expected, those human resource managers with an internal locus of control perceived more general choice and opportunity and more discretion in specific human resource management activities. This finding supports the contentions of previous literature that managers with an internal locus of control have greater discretionary sets because they are more likely to translate their perceived control of their environment into involvement into many domains (Hambrick & Finkelstein, 1987). Further, these results may provide support for assertions in previous organizational literature that manager locus of control should be related to innovation, risk-taking, and proactiveness (Miller, Kets De Vries & Toulouse, 1982). Because managers with an internal locus of control are more convinced of their ability to influence their environments, they are more likely to proceed to do so (Miller, Kets De Vries & Toulouse, 1982). The "task and action-orientation" (Miller, Kets De Vries & Toulouse, 1982: 240) of internals may be explained in part by the findings in this study: internals

are more likely to have a greater discretionary set, which may be more likely to translate itself into innovative behavior (e.g., implementing new HRM policies and practices).

Dissimilarity of Human Resource Management Practices The final hypothesis presented in Chapter 3 concerned the relationship between human resource manager discretion and the dissimilarity of human resource management practices across organizations. Because discretion was expected to allow human resource managers to "fashion unique structures" in the structure and content of HRM practices in their organizations (Oliver, 1988), it was hypothesized here that human resource manager discretion would be associated with dissimilarity of human resource management practices across organizations. The results of the analyses presented in Chapter 5 indicate some support for this hypothesis. Specifically, regression analyses indicate that general discretion was associated with dissimilarity in selection and placement practices. Organizations in which human resource managers perceived more choice and opportunity had a significantly different menu of selection and placement practices. While only one significant relationship between discretion and human resource management practice dissimilarity was detected in the regression analyses, inspection of the correlations between discretion and dissimilarity variables indicated positive relationships between discretion and HRM practice dissimilarity. In all instances, for example, the correlations between general discretion and HRM practice dissimilarity were positive. Though less consistent, the correlations between structural and specific discretion also indicated some support for the discretion - dissimilarity relationship; in

all, approximately half of the correlations between these two variants of discretion and HRM practice dissimilarity were in the expected direction.

Given the exploratory nature of this research, the finding that discretion seems to be related to HRM practice dissimilarity is important. This finding suggests that human resource manager discretion may be a consequential variable in organizations. While previous literature has suggested that the amount of managerial discretion has major implications for many phenomena of interest to organizational researchers (Hambrick & Finkelstein, 1987), this proposition has been ignored in the context of human resource management. The finding that human resource manager discretion appears to be a consequential variable, influencing the structure of human resource management practices across organizations, is an important one for both research and practice. These issues will be addressed in more detail later in this chapter.

Unsupported Hypotheses

Hypotheses 1 and 10, which deal with the relationships between HRM constituencies and discretion, were not supported. Whereas previous literature has suggested that institutional constituents are likely to exert conforming influences (expected to limit discretion) on organizations, the results of this study indicated that neither the influence of internal nor external constituencies was significantly associated with any indicator of human resource manager discretion. In fact, the number of internal constituencies was positively related to the level of specific discretion in the equation, contradicting the predictions of Hypothesis 10.

Two explanations for these results may be appropriate. First, it may be that there is a theoretical explanation for the results. Whereas it was expected that the multiplicity of constituents (indicating higher numbers of constituents impinging on HRM) would limit human resource manager discretion, it is possible that institutional constituencies may not impact human resource manager discretion in the way expected. General institutional pressures can be expected to limit discretion; the impact of institutional constituencies on managerial choice may be more complicated. Pfeffer and Salancik (1978), for example, suggested that when managers face multiple (often incompatible and competing) demands, unilateral conformity to the environment becomes more difficult. Managers, then, may be able to realize that there is no way to conform to many conflicting pressures. In essence, Pfeffer and Salancik's (1978) arguments indicate that the effects of institutional constituencies will not always limit discretion. Specifically, the conforming influence of institutional constituencies, expected to limit discretion, may not necessarily be a "given" in the relationship between the environment and discretion. In fact, the relationship between the two may be opposite to that which was originally proposed. Multiplicity of institutional demands may positively impact the discretion available to human resource managers. As such, discretion may actually be necessary for human resource managers to choose how / why to deal with the various demands of the various constituencies. The positive relationship that was found between the number of internal constituencies and the level of specific discretion, may in fact, represent this phenomenon.

Another possibility is that the relationship between HRM constituencies and human resource manager discretion may only be manifested in certain situations. Baron and Kenny (1986) suggest that a search for moderators should be conducted when relationships are inconsistent across studies or when theoretically justified relationships fail to occur. One potentially important moderator of the HRM constituent-discretion relationship is dependence. Specifically, human resource manager discretion may be more likely to be affected by HRM constituencies if human resource managers are dependent on these various constituents. Oliver (1991) suggested, for example, that the likelihood of resistance to institutional pressures is a function of the organization's dependence on the constituents who exert pressure. Resource dependence theorists, too, have argued that an organization will be less likely to resist pressures from constituents when it is dependent on these constituents (Pfeffer & Salancik, 1978). Previous research has suggested that an HRM department will most likely strive to first satisfy those constituencies having control over its financial resources and those that are most central and critical for the production of goods and service. Therefore, the relationship between HRM constituencies and human resource manager discretion may be stronger when the human resource managers are dependent on these constituencies for valuable resources.

No support was found for Hypothesis 4. Perceptions of voluntary diffusion of HRM practices (normative, mimetic) were not related to any variant of human resource manager discretion. It was proposed that when human resource managers perceive that HRM policies and practices are broadly diffused and supported, discretion will be more

limited. In these cases, I expect that human resource managers do not engage in choice, but instead, they may be compelled to take certain actions (Galaskiewicz & Wasserman, 1989). Galaskiewicz and Wasserman (1989), for example suggested that because of their socialization into societal or professional values and norms, managers often pursue various strategies without reflecting on alternative courses of action or consciously weighing the various options. The results here did not support these contentions as they relate to the perceptions of diffusion - discretion relationship. It is possible that, while the perceptions of the diffusion of practices do provide an acceptable guide for what other companies are doing and what choices are being made, human resource managers' perceptions of their own discretion may not be affected by this knowledge. While this knowledge may be a guideline about what others are doing and the choices that they are making, it is possible that a simple knowledge of these processes is not enough to affect the human resource manager's perceptions of their own discretion. In fact, an awareness of this diffusion of practices may simply be an important part of the human resource manager's job.

Hypothesis 7, which predicted a positive relationship between environmental munificence and human resource manager discretion, was not supported. Neither of the variables used to operationalize environmental munificence, unemployment rate and the site's turnover rate, were significant predictors of discretion. Expectations that human resource managers in organizations with high turnover operating in munificent labor markets do not face the same discretionary constraints as those human resource managers in organizations in scarce labor markets were not supported. In this study, it

may be that problems with the data impacted the results. First, for example, the unemployment data, collected from reports of the state department of labor were non-normally distributed. Despite efforts to address this problem (natural log transformation), this variable had a non-normal distribution. Because the assumption of normality was violated, it may be that the regression coefficient for unemployment was nonsignificant, when it is actually significant (Hair et. al., 1987). Second, because both unemployment and turnover were not significant predictors of any indicator of discretion, it may be difficult to accurately assess the impact of labor market munificence. Worksites with high turnover, for example, which operate in labor markets with low unemployment may not face the same human resource constraints and thus the same issues with human resource manager discretion, as those firms in labor markets with high unemployment. Future research should consider the possibility of an interaction between the two variables when assessing environmental munificence.

Hypothesis 8, focusing on the relationship between industry instability and discretion, was not supported. Hambrick and Finkelstein (1987) posited that industry instability creates uncertainty about means-ends linkages, which will affect discretion. This notion was not supported by the results of this study. Industry characteristics have been suggested as an important factor affecting HRM structure and content (Jackson & Schuler, 1995). The results of this study indicate, however, that industry instability was not related to perceptions of human resource manager discretion. The operationalization of industry instability may have contributed to the failure to find a relationship. Because a perceptual measure of industry instability was used, it is possible that measurement issues

may explain the nonsignificant findings. Whereas researchers have suggested that perceptual measures of industry instability are a good proxy for objective measures (Guthrie & Olian, 1991), it is possible that the measure used in this study did not adequately tap industry instability. A measure of industry instability based on objective measures might better capture this variable in future research.

Hypothesis 9, which predicted a positive relationship between internal resources and human resource manager discretion, was not supported. Based on previous literature, it was expected that human resource managers who have more slack resources to deal with will tend to have a greater deal of leeway in their options (Cyert & March, 1963). Specifically, human resource managers in organizations with higher levels of financial resources allocated to human resource management are more likely to have a greater array of options to consider, and thus a greater discretionary set. Measurement problems may explain this result. In particular, the personnel ratio is a fraction with the number of employees in the organization as the denominator. This ratio is essentially an interaction term, and the variance in either the numerator or the denominator can contribute to the variance (or lack of variance) explained in the dependent variable of interest (Johnson, Daily & Ellstrand, 1996). Caution, then, has to be used in interpreting relationships involving such composition variables.

Further, although previous literature in HRM has suggested that the personnel ratio (operationalized as the number of employees in the organization relative to each HRM staff member) is an acceptable measure of financial resources available to human resource management, it is possible that the choice to use the personnel ratio was

problematic. In particular, it is possible that the personnel ratio taps too narrow an aspect of the full range of resources available to human resource managers to accurately assess the relationship between internal resources and human resource manager discretion.

Hypothesis 13 was not supported. Human resource manager's tolerance for ambiguity was not associated with human resource manager discretion. Previous research has suggested that managers who are relatively intolerant of ambiguity are less likely to consider options that depart from the known status quo, thus representing a smaller discretionary set. (Hambrick & Finkelstein, 1987). The results of this study did not support this contention. Although previous research has suggested that tolerance for ambiguity is a useful managerial concept to consider because managers have been found to have varying levels of tolerance for ambiguity; the results of this study, however, do not support this argument. In particular, in this study, there was very little variance in the measure for tolerance for ambiguity, indicating that most of the human resource managers in this sample have a similar amount of tolerance for ambiguity. As such, there is really not enough variation to manifest a relationship between tolerance for ambiguity and any other characteristic. While future research should replicate this analysis, the results here indicate that tolerance for ambiguity may be more of a "given" managerial trait than a trait to be predicted or explained.

The final hypothesis that was not supported by the data in this study was Hypothesis 16, a positive relationship between informal political power and discretion. I expected human resource managers with more informal political power to have greater

discretion. That is, "powerful" managers are more likely to be active in a number of discretionary domains and are more likely to be able to consider controversial options that could not be considered by managers with less power (Hambrick & Finkelstein, 1987). The present study measured informal political power using four variables that have been suggested in previous literature as indicators of power: gender, years in HRM, HRM tenure, and organizational tenure. The choice of these objective indicators of informal political power may account for the nonsignificant findings. In particular, while research has suggested that objective measures such as the ones used here are reasonable correlates of other measures of informal power, it may be that these measures do not apply in every context. Research has suggested, for example, that power is an important element of interpersonal transactions in social systems (McPhail & Gavin, 1979). So-called objective indicators, such as the ones used in this study, do not tap this "social" nature of power, which is likely the aspect of power that will affect the discretionary nature of managerial jobs. It may be that in order to accurately assess that multidimensional nature of power likely to affect discretion, different measures should be used. For example, perceptual measures of informal power administered to human resource managers, or alternatively, to colleagues/subordinates of the human resource manager should be used in future research. These measures may be able to more accurately capture the true nature of the human resource manager's power as a social process.

Implications for Future Research

In this study, three categories of variables, environment, organization, and manager, were predicted to influence human resource manager discretion. As discussed previously, the three indicators of discretion were not influenced by identical sets of variables; the independent variables were not equally effective in predicting discretion. The results indicate that structural and general discretion were most associated with characteristics of the environment, and general and specific indicators of discretion were most associated with characteristics of the organization and the human resource manager. The finding that the environment, the organization, and the human resource manager were associated with different indicators of discretion has implications for the measurement of discretion, as well as for an understanding of the underlying relationship between the environment, the organization, the manager, and his/her discretion. Recall, for example, that the measurement of managerial discretion is an unresolved issue in organizational research. Recently, research has suggested that if research on managerial discretion is to proceed, measurement issues must be addressed (Hambrick & Abrahamson, 1995). The finding here that each of the three indicators of discretion was significantly associated with different independent variables indicates that it is unlikely that any one measure of discretion will adequately tap the multidimensional nature of the construct. While past research (e.g., Hambrick & Abrahamson, 1995) has focused solely on environmental discretion (discretion in the task environment), this study has filled an important void in the literature by developing measures of managerial discretion at the organizational and individual level. While the measurement of discretion remains an

unresolved issue, this study has provided a good starting point for future research. In particular, this study has laid the basis for the measurement of the latitude of action available to managers in organizations.

The differential impact of the environment, organization, and manager also raises the question of the differential influence of each in determining the level of human resource manager discretion. Because of sample size limitations and the design of this study, the relative impact of environment, organization, and managerial characteristics on human resource manager discretion was not tested. Future research is needed to determine the relative impact of these three categories of variables. In particular, future research should examine the effects on discretion when the environment, the organization, and the human resource manager do not align in conferring discretion. Is one set of variables, for example, most important in influencing discretion, or are all three sets of variables equally important?

Second, the results of this study may provide some insight into the underlying determinants of variations in human resource management practices across organizations. Researchers in HRM have suggested that while we know that human resource management practices vary across organizations, we still have no definitive explanations as to why (Guthrie & Olian, 1991). Traditionally, human resource management research has studied the impact of HRM interventions on employee affect and behavior (Guthrie & Olian, 1991). This has been done, however, while devoting little attention to understanding the sources of differences in HRM practices across organizations (Jackson, Schuler & Rivero, 1989; Murray & Dimick, 1978). The finding

here that human resource management discretion is associated with dissimilarity of human resource management practices across organizations may provide insight into several issues. First, future research should continue to examine the underlying mechanism of the discretion - dissimilarity relationship, not only to disentangle cause and effect, but also to lead to further refinements and insights into the process by which human resource manager discretion leads to dissimilarity of human resource management practices across firms. The results of this study indicate that studies of variations in human resource management practices should include an evaluation of the discretionary nature of the human resource manager's work environment.

Further, the results of this research also suggest that future research in SHRM should include the concept of human resource manager discretion. More specifically, research has found little empirical evidence to suggest that strategic human resource management directly influences organizational performance or competitive advantage (Arthur, 1994; Lengnick-Hall & Lengnick-Hall, 1988). It is possible that this literature has inaccurately examined the relationship between strategic human resource management and organizational performance. In particular, this research has ignored any situational characteristics that might influence this relationship. One reason that this research has not found any support for the strategic HR - organizational performance relationship is that it has ignored any intermediate links. In essence, what comes between strategy, human resource management practices, and organizational performance has been somewhat of a black box in the past. Future research, which

includes human resource manager discretion, may be able to more accurately model the strategic HRM - organizational performance relationship.

The findings of this study also have important implications for future research focusing on the integration of choice and deterministic approaches to human resource management. While research has suggested that choice and determinism should be juxtaposed to develop an interactive view of organizational adaptation processes (Hrebiniak & Joyce, 1985), such efforts have not yet been made in the area of human resource management. In particular, the results of this study indicate that discretion may be a consequential variable in human resource management. An understanding of the role of managerial discretion has been suggested as an important factor in integrating the disparate choice and determinism organizational literatures (Hambrick & Finkelstein, 1987). In fact, discretion has been set forth as a bridge between "polar views of organizations" (Hambrick & Finkelstein, 1987), such that variations in discretion determine, at least in part, the appropriateness of deterministic or nondeterministic views of organizational adaptation.

In general, Hambrick and Finkelstein (1987) suggested that when discretion is low, the role of management is limited, and strategic explanations of organizational adaptation will have weak explanatory power. On the other hand, they argue, when discretion is high, managers can significantly shape the organization, and there will likely be more strategic explanations will be reflected in organizational outcomes. More simply, Hambrick and Finkelstein (1987) argued that in order to predict changes in an organization characterized by low discretion, one need only to know what is going on in

its environment. More specifically, in firms characterized by low human resource manager discretion, therefore, deterministic explanations of human resource management are more likely to determine the structure and content of human resource management practices. In a high discretion firm, on the other hand, they argued that changes in the structure and content of human resource management practices will not necessarily be tied to changes in the environment. That is, discretion on the part of the human resource management will improve his/her ability to gather and process information, to identify and negotiate alternate courses of action, and, perhaps, to select and implement human resource management practices to support firm strategy.

Whereas the arguments of Hambrick and Finkelstein (1987) seem to overly simplify the multifaceted nature of the organizational relationship, an argument can be made that an understanding of managerial discretion, a concept grounded in the deterministic and choice viewpoints of organizations, does seem to be an important starting point in understanding the extent to which choice or deterministic perspectives best explain the structure and content of HRM. In particular, the finding of this study that discretion is consequential indicates that human resource manager discretion is important in understanding the relationship between institutional forces and variations in the structure and content of HRM. This is because the finding that discretion is associated with HRM practice dissimilarity shows that responses to institutional pressures are not invariably passive or conforming in all cases (e.g., Oliver, 1991). Given this result, the issue of strategic choice in HRM then becomes important. Recall that research has suggested that where managerial discretion is abundant, the strategic

choice framework will provide the best depiction of organizational phenomena (Hambrick & Finkelstein, 1987). Based on the results of this study, the expected implication for future research will be to better model how firms choose to use this discretion, if at all. Certainly, managerial discretion encompasses choices that may be beneficial or detrimental (or strategic or non-strategic) (Thomas & Peyrefitte, 1996). However, given that human resource manager discretion is an influential antecedent of the structure and content of human resource management, the issue of the strategic management of human resources then becomes an important issue.

Implications for Practice

The importance of human resource manager discretion to practicing managers can first be seen in light of its effect on HRM outcomes for employees. Specifically, human resource manager discretion may impact employee attitudes and behaviors through its influence on the structure of HRM practices. This research has shown human resource manager discretion to be at least somewhat associated with HRM practice dissimilarity across firms. In other words, discretion seems to allow human resource managers to structure unique sets of human resource management practices. Because human resource manager discretion is, or seems to be, associated with more different kinds of HRM practices, it may enable managers to implement more sophisticated, or innovative, sets of HRM practices, which, in turn, has important implications for employees. Recent research has posed the question of how human resource managers can facilitate or inhibit the adoption of a human resource innovation (Tannenbaum & Dupuree-Bruno, 1994). An understanding of the latitude of action of

human resource managers, and how they choose to use their discretion may help to answer this question.

Specifically, the change in the status quo allowed by human resource manager discretion may have important implications, both general and specific, for employees. Discretion may enable human resource managers to facilitate innovation and implement different kinds of policies and programs to benefit the organization and its employees. Recently, research has found that companies at the leading edge in the arena of human resource management are much more likely to invest heavily in innovative work redesign, employee involvement, total quality management programs (Mirvis, 1997). These companies are also more likely to help employees balance their work and family concerns and to have programs committed to valuing diversity (Mirvis, 1997).

The results of this study indicate that human resource manager discretion is associated with variations in selection and placement practices. Discretion, then, seems to allow a human resource manager to invest more heavily in hiring. As such, human resource managers may be more likely to ensure a proper match between the organization and the employee, which will not only improve employee attitudes and behaviors, but it is also likely to positively influence the labor productivity of the firm (Koch & McGrath, 1996). As another example, a positive relationship between discretion and variations in compensation practices might allow human resource managers to implement a more varied compensation / benefits package for their employees. This, in turn, has implications for employee attitudes (e.g., motivation) and behaviors (e.g., absenteeism, turnover). While the effects of discretion may be both

beneficial or detrimental, it is important to recognize that because discretion allows human resource managers to fashion unique structures of human resource management policies and practices, it has the potential to have implications for employee attitudes and behaviors.

The practical importance of this study is also evidenced in its implications for evaluating human resource managers. In particular, this study has shown that human resource managers have varying levels of discretion. Further, human resource manager's ability to impact performance can vary, based on the constraints on their discretion. Therefore, the argument can be made that the discretion available to human resource managers is an important factor that should be considered in their assessments; criteria for evaluating human resource managers, then, should reflect the relative freedom available to these managers.

The notion that discretion may be an important variable to consider when making managerial evaluations is consistent with previous work on managerial succession. In particular, the relationship between managerial succession and organizational performance remains an unresolved issue in the sociology of organizations (Allen, Panian, & Lotz, 1979). Although managerial succession is often precipitated by inadequate performance, a change of managers typically has only a small impact on subsequent performance (Allen, Panian, & Lotz, 1979). Part of the reason for these findings may be the relative neglect of the manager's discretionary set in this research; although managers are important, their ability to impact performance can vary. In a low

discretion setting, then, efforts to improve performance through executive succession and recruitment may not always evoke the desired results (Thomas & Peyrefitte, 1996).

In the context of human resource management, there are several criteria used to evaluate human resource managers and the HRM function (Tsui, 1987). For example, Tsui (1987), identified the most important evaluation criteria used to evaluate human resource managers and the HRM function. These included: average time for human resource manager to respond to questions; how innovative the HRM department is in devising programs to enhance employee morale; how effective is the human resource manager in responding to questions; does the human resource manager initiate programs to effectively manage "people" resources. Each of these evaluative criteria arguably assumes that human resource managers have a certain amount of discretion. It is important to recognize the presence or absence of this discretion when making evaluations of human resource managers. Human resource managers should also consider their discretion when making self assessments. Human resource managers who are facing performance problems, for example, should first evaluate their discretion to assess the extent to which they have the power to change strategies, implement new policies and practices, or change resource allocations.

Limitations

Several caveats must be offered regarding the findings of this study. Two issues associated with the interpretation of the results presented here will first be addressed. First, the primary respondent in this study, the human resource manager, was identified as the one most in charge of the HRM function at the focal site. Because of their unique

organizational position, there was no good way to assess the reliability of their responses. Therefore, it was not possible, for example, to assess inter-rater reliability- there was no similarly qualified respondent at each site. Next, a very large number of statistical tests were conducted in order to examine the many research hypotheses developed in this study. Even using conventionally acceptable levels for Type I error (i.e., .05), it is possible that the significant findings reported herein are due to chance. As such, the findings presented here must be interpreted with caution.

Next, constraints on the generalizability of findings should be noted. In particular, the use of Louisiana companies may have an impact on the generalizability of findings. Results of this study can only be generalized to populations that closely correspond to the population of businesses in Louisiana. This generalization may be difficult because other areas differ from Louisiana. It remains to be seen whether similar relationships will be found in organizational settings in other areas. Final evaluation of the role of human resource manager discretion in organizations will need to await the accumulation of results from studies conducted across multiple sample areas. In the interest of external validity, studies of human resource manager discretion should be tested on other firms in other areas.

Despite the generalizability issues associated with a single-state sample, it is important to note that efforts were made to improve the overall generalizability of the findings of this study. For example, by evaluating data from many business units across a wide variety of industries, this study has gone beyond many of the studies in human resource management that look at single organizations.

Second, the relatively small sample size ($N = 104$) limited statistical power in this study. When, testing the hypotheses, the average power achieved was .34 at the .05 level of significance (Cohen, 1977). The results of this study, therefore, should be viewed as a conservative test of the presented hypotheses. When this study was proposed, it was anticipated that the sample size would approximate 185. A power analysis (Cohen, 1977) indicated that at least 182 respondents were required to have an 80 percent probability of finding a medium effect at the .05 level of significance. Despite the reduced power associated with the small sample size, several interesting results emerged. Despite this however, in some cases, it is difficult to tell if the weaknesses in some of the relationships are due to shortcomings in theoretical development or to the low statistical power created by the relatively small sample. For example, although most of the zero-order correlations between discretion and HRM practice dissimilarity were in the expected direction, the limited significance of these relationships in the regression analyses may be due to low statistical power.

A final limitation of this is its cross-sectional design. Without longitudinal data, it is difficult to determine whether the environmental, organizational, and managerial characteristics identified in this study lead to a certain level of human resource manager discretion, or if discretion is a predecessor of these characteristics. Similarly, without longitudinal data, it is difficult to determine if human resource manager discretion causes dissimilarity in HRM practices. In particular, an issue in previous HRM literature, this present work included, is that the structure of human resource management practices is measured as the cumulative sum of events over a period of time, but the measure of the

independent variables of interest (in this case, human resource manager discretion) occurs only at the end of that period. Despite this, it seems reasonable to assume that human resource managers with higher levels of discretion tend to facilitate unique sets of human resource management practices, due to an increased ability to identify and negotiate alternate courses of action. Two points support the inference that discretion influences the structure of HRM, as opposed to the reversed causal ordering: 1) discretion is, arguably a relatively stable trait; and 2) the sampling strategy allowed for the collection of data on recently implemented HRM practices. More specifically, for example, in this study, the average tenure of the human resource managers in their current position as head of HRM was over four years. It seems fairly unlikely that this variable changes drastically over time. Of course, this a question, in and of itself, that deserves future research. For example, does managerial discretion tend to increase as influence is gained through tenure, or do the effects of commitment and organizational aging nullify those effects (Hambrick & Finkelstein, 1987). Certainly, longitudinal research on human resource manager discretion is needed to disentangle causes and effects and to more clearly specify the nature of the underlying relationships between the environment, the organization, the manager, discretion, and the structure and content of human resource management practices.

Conclusions

This study adds to the macro human resource management literature in several ways. First, the results suggest that much of the past research in HRM has simplified reality. In particular, this research has classified organizational actions as either

organizationally or environmentally determined. This has diverted research inquiry away from the true nature of relationships in organizations (Hrebiniak & Joyce, 1985). Instead, this study has provided a framework, based on human resource manager discretion, that has the potential for integrating the different streams of research that have been used to investigate human resource management. By modeling the role of human resource manager discretion in organizations, this study has recognized that organizational actors mold organizational activities, but that they do so within discretionary constraints.

By showing that human resource manager discretion is associated with HRM practice dissimilarity, this study introduces the notion that discretion is an important variable in understanding the relationship between institutional forces and variations in the structure and content of HRM. As such, this study should be viewed as a stage in the theory-building process in human resource management. A necessary next step is to assess the role of discretion in strategic human resource management. Including discretion in studies of strategic human resource management will enable future researchers to model how human resource managers choose to use their discretion, if at all.

Many questions, however, remain to be answered about the role of human resource manager discretion in organizations, its antecedents, and its consequences. This study has added empirical evidence to the growing area of macro HRM research. Future research, however, is needed to provide more insight into the complex, multifaceted relationship between environmental characteristics, organizational characteristics, managerial characteristics, discretion, and HRM practice structure and content.

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APPENDIX A
HUMAN RESOURCE MANAGER QUESTIONNAIRE

Identification # _____

Strategic Human Resource Management In Louisiana Business

Human Resource Manager Perspective

This survey represents an effort to better understand how Human Resource Managers feel about a variety of issues, and how a variety of issues in the human resource management environment affect the management of human resources in Louisiana. Please answer all questions. If you wish to comment on any questions or qualify your answers, please feel free to use the space in the margins.

Thank you for your help.



**Department of Management
Louisiana State University
Baton Rouge, LA 70803**

Part 1 - Some General Information About You and the Organization Where You Work

- Q-1 Your job title _____
- Q-2 Your sex (Circle number of answer)
1 MALE 2 FEMALE
- Q-3 What is the highest level of education that you have completed? (Circle number)
1 GRADE SCHOOL 5 COLLEGE GRADUATE (specify major) _____
2 SOME HIGH SCHOOL 6 SOME WORK TOWARD ADVANCED DEGREE
3 HIGH SCHOOL GRADUATE 7 ADVANCED DEGREE (specify degree & major) _____
4 SOME COLLEGE
- Q-4 Overall, how many years have you worked in the area of human resource management (at this or other organizations)? _____
- Q-5 How long have you been employed by this organization? _____
- Q-6 How long have you been in your current position in this organization? _____
- Q-7 How many full and part-time employees are employed at this organization?
FULL-TIME EMPLOYEES _____
PART-TIME EMPLOYEES _____
TOTAL _____
- Q-8 How many people comprise the HRM unit in your organization?
CLERICAL / SUPPORT _____
PROFESSIONAL _____
TOTAL _____
- Q-9 Please list the business, professional, and membership organizations to which you now belong. Please include any organization to which you now belong - include labor unions, civic, social, political, religious, and fraternal organizations in addition to business and professional associations to which you belong. In the spaces following each name, please indicate the approximate length of membership and your estimate of how active you are in each organization. Indicate the degree of your activity in each association by circling the appropriate number.

0=INACTIVE
1=RELATIVELY INACTIVE
2=MODERATELY ACTIVE
3=VERY ACTIVE

Name of Organization (Give Full Title)	Length of Membership (In Years)	Activity (circle number)
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3
_____	_____	0 1 2 3

Part II - Some Information About Your Job as a Human Resource Manager

Q-10 Using the scale provided, please indicate the level of interaction you have with the following groups in your job as human resource manager. Place your answer (0 through 5) in the blank next to each group.

NOT APPLICABLE 0	NO INTERACTION 1	2	MODERATE LEVEL OF INTERACTION 3	4	A GREAT DEAL OF INTERACTION 5
Other Managers	_____		Regional HRM Staff		_____
Job Applicants	_____		Divisional HRM Staff		_____
Employees	_____		Payroll Department		_____
Corporate Headquarters	_____		HRM Departments in Other Firms		_____
Plant Managers / Executives	_____		Local Government		_____
Company Staff	_____		State Government		_____
Benefits Department	_____		Federal Government		_____
Union Employees	_____		HRM Professional Associations		_____

Q-11 Please consider those groups in the previous question that you interact with on a day-to-day and long-term basis, and indicate your agreement with the following statements. Using the following scale, write the number which corresponds to your answer (1 - 5) in the blank next to each statement.

STRONGLY AGREE 1	2	3	4	STRONGLY DISAGREE 5

Each of these groups has its own set of expectations regarding the human resource management department's activities.				

Each of these groups applies its own criteria in assessing whether or not the human resource management department activities are meeting its expectations.				

Each of these groups holds its own standards for effective human resource management department performance.				

These groups exert conflicting pressures on the human resource management function.				

Each of these groups attempts to prescribe its own goals and objectives for the human resource management department.				

Q-12 How would you assess the impact of federal laws and regulations in the day to day management of human resources at your organization?

LITTLE IMPACT 1	2	MODERATE IMPACT 3	4	GREAT IMPACT 5
--------------------	---	----------------------	---	-------------------

Q-13 How would you assess the impact of state laws and regulations in the day to day management of human resources at your organization?

LITTLE IMPACT 1	2	MODERATE IMPACT 3	4	GREAT IMPACT 5
--------------------	---	----------------------	---	-------------------

Q-14 How would you assess the impact of industry norms in the day to day management of human resources at your organization?

LITTLE IMPACT 1	2	MODERATE IMPACT 3	4	GREAT IMPACT 5
--------------------	---	----------------------	---	-------------------

- Q-15 Consider those federal laws and regulations which you feel have a significant impact on the day to day management of human resources at your organization. How would you assess the sanctions for noncompliance with these laws and regulations?

QUITE SEVERE MODERATELY SEVERE NOT SEVERE
1 2 3 4 5

- Q-16 Consider those state laws and regulations which you feel have a significant impact on the day to day management of human resources at your organization. How would you assess the sanctions for noncompliance with these laws and regulations?

QUITE SEVERE MODERATELY SEVERE NOT SEVERE
1 2 3 4 5

- Q-17 Consider those industry norms which you feel have a significant impact on the day to day management of human resources at your organization. How would you assess the sanctions for noncompliance with these laws and regulations?

QUITE SEVERE MODERATELY SEVERE NOT SEVERE
1 2 3 4 5

- Q-18 Please indicate your agreement with the following statements. Using the following scale, write the number which corresponds to your answer (1 - 5) in the blank next to each statement.

STRONGLY AGREE STRONGLY DISAGREE
1 2 3 4 5

- _____ In designing the HRM practices in our organization, I am strongly influenced by government laws and regulations.
- _____ In writing the HRM policies in our organization, I am strongly influenced by government laws and regulations.
- _____ In designing the HRM practices in our organization, I am strongly influenced by what other companies are doing.
- _____ In writing the HRM policies in our organization, I am strongly influenced by what other companies are doing.
- _____ In designing the HRM practices in our organization, I am strongly influenced by other HRM professionals that I interact with.
- _____ In writing the HRM policies in our organization, I am strongly influenced by other HRM professionals that I interact with.
- _____ In designing the HRM practices in our organization, I am strongly influenced by the strategic goals and objectives of my firm.
- _____ In writing the HRM policies in our organization, I am strongly influenced by the strategic goals and objectives of my firm.

- Q-19 The most important determinant of the HRM policies and practices in this firm is: (circle one)

- 1 EMULATING POLICIES AND PRACTICES IN PLACE IN OTHER ORGANIZATIONS
- 2 OBEYING GOVERNMENT LAWS AND REGULATIONS
- 3 FOLLOWING NORMS SET BY OTHER PROFESSIONALS IN MY FIELD
- 4 RATIONAL STRATEGIC DECISION MAKING
- 5 OTHER (please specify) _____

Q-20 In this question, we are interested in how you feel various groups influence the management of human resources in your firm. Using the scale below, please rank the groups listed below as to their order of importance in determining your activities as a human resource manager.

- | | |
|-------------------------|-------------------------|
| 1 MOST IMPORTANT | 4 FOURTH MOST IMPORTANT |
| 2 SECOND MOST IMPORTANT | 5 LEAST IMPORTANT |
| 3 THIRD MOST IMPORTANT | |

Group	Rank (write number)
Yourself as Human Resource Manager.....	_____
Other HRM Professionals.....	_____
Top Management at Your Firm.....	_____
Government Laws and Regulations.....	_____
What Other Firms are Doing.....	_____

Q-21 Please indicate your agreement with the following statements. Using the following scale, write the number which corresponds to your answer (1 - 5) in the blank next to each statement.

STRONGLY AGREE				STRONGLY DISAGREE
1	2	3	4	5

- _____ For many decisions in this organization, the rules and regulations are developed as we go along.
- _____ In this organization, it is always necessary to go through certain channels in dealing with important matters.
- _____ People in this organization always get orders from their superiors on important matters.
- _____ In this organization, the same rules and regulations are always followed in making most type of decisions.
- _____ I feel uncertain about how much authority I have in my job.
- _____ Clear, planned goals and objectives do not exist for my job
- _____ I know exactly what is expected of me.
- _____ I have to work on things that should be done differently.
- _____ I receive assignments without adequate resources and materials to complete them.
- _____ I seldom receive incompatible requests from two or more people.
- _____ I do things that are apt to be accepted by one person but not accepted by others.
- _____ In my job as human resource manager, I frequently must coordinate my efforts with others.
- _____ My own performance as human resource manager is dependent on receiving accurate information from others.
- _____ My work requires me to consult with others fairly frequently.
- _____ I work fairly independently of others in my work as human resource manager.
- _____ I can plan my own work with little need to coordinate with others.
- _____ I rarely have to obtain information from others to complete my work.

- Q-22 This question deals specifically with the amount of discretion you have in performing your job as a human resource manager. By discretion, we mean the latitude of action you have in performing your job as a human resource manager (or the extent to which you have a wide range of potential courses of action that you are able to choose from in the major HRM decision domains). For each of the following human resource management activities, please indicate how much discretion you have by circling the number that most closely corresponds to your answer.

	LITTLE DISCRETION		MODERATE DISCRETION		MUCH DISCRETION
Staffing / Human Resource Planning	1	2	3	4	5
Organization / Employee Development	1	2	3	4	5
Compensation / Employee Relations	1	2	3	4	5
Employee Support	1	2	3	4	5
Legal Compliance	1	2	3	4	5
Labor / Union Relations	1	2	3	4	5
Policy Adherence	1	2	3	4	5
Administrative Services	1	2	3	4	5

Please answer the following questions pertaining to your job as a human resource manager.

- Q-23 How well defined are the operations and procedures within which you perform your job?
COMPLETELY UNDEFINED 1 2 MODERATELY DEFINED 3 4 COMPLETELY DEFINED 5
- Q-24 How much choice do you have over the tasks you perform in dealing with human resource problems?
VERY LITTLE CHOICE 1 2 MODERATE CHOICE 3 4 A GREAT DEAL OF CHOICE 5
- Q-25 How much opportunity do you have to participate in the setting of goals and objectives for the HRM function?
VERY LITTLE 1 2 A MODERATE AMOUNT 3 4 VERY MUCH 5
- Q-26 How much opportunity, in your management position, do you have for participation in the determination of new HRM policies and practices?
VERY LITTLE 1 2 A MODERATE AMOUNT 3 4 VERY MUCH 5
- Q-27 Clear, written goals and objectives exist for my job.
ALMOST ALWAYS FALSE 1 2 SOMETIMES TRUE 3 4 ALMOST ALWAYS TRUE 5
- Q-28 My job responsibilities are clearly specified in writing.
ALMOST ALWAYS FALSE 1 2 SOMETIMES TRUE 3 4 ALMOST ALWAYS TRUE 5
- Q-29 Written schedules, programs and work specifications are available to guide me on my job
ALMOST ALWAYS FALSE 1 2 SOMETIMES TRUE 3 4 ALMOST ALWAYS TRUE 5

- Q-30 My duties, authority, and accountability are documented in policies, procedures, and job descriptions.
 ALMOST ALWAYS FALSE 1 2 3 4 5
 SOMETIMES TRUE ALMOST ALWAYS TRUE
- Q-31 Written documents (e.g. budgets, schedules, and plans) are used as an essential part of my job.
 ALMOST ALWAYS FALSE 1 2 3 4 5
 SOMETIMES TRUE ALMOST ALWAYS TRUE
- Q-32 There are contradictions and inconsistencies among the written statements of goals and objectives in this organization..
 ALMOST ALWAYS FALSE 1 2 3 4 5
 SOMETIMES TRUE ALMOST ALWAYS TRUE

Please think of your job as human resource manager and the organization where you work, and answer the following questions by circling the one best answer corresponding to the following.

In general, who makes the final decision about....

	Yourself	Another Member of Top Management	The Manager of the Department Involved
Q-33 The number of people employed here?	1	2	3
Q-34 Which new employees to hire?	1	2	3
Q-35 Using subcontractors or temporary employees?	1	2	3
Q-36 Evaluating employee performance?	1	2	3
Q-37 Employee promotions?	1	2	3
Q-38 Wage rates or salary levels?	1	2	3
Q-39 Discharging or laying off employees?	1	2	3
Q-40 Work scheduling and overtime?	1	2	3
Q-41 Strategic Planning Re: HRM?	1	2	3

The following questions ask about the decisions you make as a human resource manager. Please answer by circling the appropriate number on the scales provided.

- Q-42 How often can you determine what the outcome of a decision you make will be before it is made?
 ALMOST ALWAYS 1 2 3 4 5
 SOMETIMES ALMOST NEVER
- Q-43 How long do you typically have to wait before you can obtain feedback concerning the effects of your decisions?
 VERY LITTLE TIME 1 2 3 4 5
 A MODERATE AMOUNT OF TIME A VERY LONG TIME
- Q-44 How difficult is it to predict which factors outside your organization will be important considerations in future decisions?
 NOT VERY DIFFICULT 1 2 3 4 5
 MODERATELY DIFFICULT VERY DIFFICULT

- Q-45 How often do you feel that you consider alternative courses of action before making a decision?
ALMOST ALWAYS 1 2 3 SOMETIMES 4 5 ALMOST NEVER
- Q-46 How often do you feel that you can effectively consider the consequences of making decisions before they are made?
ALMOST ALWAYS 1 2 3 SOMETIMES 4 5 ALMOST NEVER
- Q-47 How often do you feel that you are able to tell if the decisions you make will have a positive or negative effect on your firm's overall performance?
ALMOST ALWAYS 1 2 3 SOMETIMES 4 5 ALMOST NEVER

Please indicate your agreement with the following statements.

- Q-48 In this organization, a major role of the human resource manager is an integral member of top management.
STRONGLY AGREE 1 2 3 4 5 STRONGLY DISAGREE
- Q-49 The human resource manager in this organization has significant input on most business matters.
STRONGLY AGREE 1 2 3 4 5 STRONGLY DISAGREE
- Q-50 In our organization, human resources planning is linked to strategic business planning.
STRONGLY AGREE 1 2 3 4 5 STRONGLY DISAGREE
- Q-51 Please use the following scale to indicate your agreement with the following statements. In the blank next to each statement, please indicate your answer by writing the number corresponding to the following.
- STRONGLY DISAGREE 1 2 3 4 5 STRONGLY AGREE
- ____ Managers in this organization receive substantial training before they assume responsibility.
- ____ In this organization, we have gone to great lengths to establish the best staffing procedure possible.
- ____ After being on the job for years, managers in this organization are involved in skill development.
- ____ Managers in this organization are given ample opportunity to broaden their range of talents.
- ____ In this organization, we have a strong commitment to training and developing skilled managers.
- ____ In this organization, the primary weight in evaluations is placed on behavior.
- ____ I do not generally concern myself with particular procedures and methods my subordinates use on the job.

Please continue to use the following scale to indicate your agreement with the following statements, indicating your answer (1 - 5) in the blank next to each statement.

- | | | |
|-------------------|---|-----------------|
| STRONGLY DISAGREE | | STRONGLY AGREE |
| 1 | 2 | 3 4 5 |
- _____ In this organization, other managers and I consult with each other in setting standards.
- _____ Performance programs in this organization are imposed top-down.
- _____ In this organization, subordinates assume responsibility for setting their own performance goals.
- _____ Performance evaluations in this organization place primary weight on results.
- _____ In this organization, pay consists of performance-based rewards.
- _____ In this organization, numerical records are used as the chief index of effectiveness.
- _____ The rewards managers in this organization receive are linked to results.
- _____ Regardless of their absolute accomplishments, appraisals are based on whether employees reach their goals.

Part III - Some More Information About You

Q-52 Please use the following scale to indicate your agreement with the following statements. In the blank next to each statement, write the number (1 through 5) that corresponds to the following.

- | | | | | |
|--------------------|---|-------------------|---|-----------------|
| DISAGREE VERY MUCH | | DISAGREE SLIGHTLY | | AGREE VERY MUCH |
| 1 | 2 | 3 | 4 | 5 |
- _____ On most jobs, people can pretty much accomplish whatever they set out to accomplish.
- _____ Getting the job you want is mostly a matter of luck.
- _____ Most people are capable of doing their jobs well if they make the effort.
- _____ When it comes to landing a really good job, who you know is more important than what you know.
- _____ Promotions are given to employees who perform well on the job.
- _____ It takes a lot of luck to be an outstanding employee on most jobs.
- _____ People who perform their jobs well usually get rewarded for it.
- _____ The main difference between people who make a lot of money and people who make a little money is luck.

Please indicate your agreement with the following statements.

- Q-53 I do not like to get started in a project unless I feel that the project will be successful.
- | | | |
|----------------|---|-------------------|
| STRONGLY AGREE | | STRONGLY DISAGREE |
| 1 | 2 | 3 4 5 |

- Q-54 In a decision-making situation in which there is not enough information to process the problem, I feel very uncomfortable.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-55 I don't like to work on a problem unless there is a possibility of coming out with a clear-cut and unambiguous answer.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-56 I function very poorly whenever there is a serious lack of communication in the job situation.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-57 In a situation in which other people evaluate me, I feel a great need for clear and explicit evaluations.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-58 If I am uncertain about the responsibility of a job, I get very anxious.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-59 A problem has little attraction for me if I don't think it has a solution.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5

Part IV - Some Questions About the Organization Where You Work

In this section, think about the organization where you work, and answer the following questions.

- Q-60 Is there a union at your organization? _____ (If no, please skip to Question 62).
- Q-61 In your organization, what percentage of employees are eligible for union membership? _____
- Q-62 What percentage of eligible employees are members of a union? _____
- Q-63 What is the annual rate of voluntary turnover in your organization?
 MANAGEMENT _____ NON-MANAGEMENT _____
- Q-64 What is the annual rate of involuntary turnover in your organization?
 MANAGEMENT _____ NON-MANAGEMENT _____
- Q-65 How does the voluntary rate of turnover for management employees in your organization compare to:
 (Circle Number)
- | | | | |
|-----------------|--------------|--|--------------|
| Industry Norms? | | Firms with Whom You Compete for Labor? | |
| 1 HIGHER | 3 LOWER | 1 HIGHER | 3 LOWER |
| 2 SAME | 4 DON'T KNOW | 2 SAME | 4 DON'T KNOW |
- Q-66 How does the voluntary rate of turnover for non-management employees in your organization compare to:
 (Circle Number)
- | | | | |
|-----------------|--------------|--|--------------|
| Industry Norms? | | Firms with Whom You Compete for Labor? | |
| 1 HIGHER | 3 LOWER | 1 HIGHER | 3 LOWER |
| 2 SAME | 4 DON'T KNOW | 2 SAME | 4 DON'T KNOW |

SELECTION AND PLACEMENT

- ## RECRUITMENT

- ## TRAINING AND DEVELOPMENT

- ## COMPENSATION

- ☐ Fitting Compensation Strategy to the External Environment
- ☐ Fitting Compensation Strategy to Organizational Objectives
- ☐ Base Pay
- ☐ Time-Based Base Pay
- ☐ Performance-Based Base Pay
- ☐ Skill / Knowledge-Based Base Pay
- ☐ Differential Pay
- ☐ Overtime
- ☐ Shift Pay
- ☐ Hazard Pay

Compensation (continued)

- ☐ On-Call Pay
- ☐ Call-Back Pay
- ☐ Geographic Differentials
- ☐ Individual -Based Incentive Pay
- ☐ Group- Based Incentive Pay
- ☐ Gainsharing
- ☐ Improshare
- ☐ Scanlon Plans
- ☐ Profit Sharing
- ☐ Stock-Based Programs
- ☐ Pay Programs for Selected Employees
(e.g., Executives, Outside
Directors, etc.)

BENEFITS

- ☐ Workers' Compensation
- ☐ Unemployment Compensation
- ☐ Disability Income Replacement
- ☐ Retirement Income Replacement
- ☐ Death Income Replacement
- ☐ Medical Insurance
- ☐ Dental Insurance
- ☐ On-Site Child Care
- ☐ Child Care Vouchers
- ☐ Legal Assistance
- ☐ Elder Care
- ☐ Vision Insurance
- ☐ Auto and Property Insurance
- ☐ Severance Pay
- ☐ Profit Sharing
- ☐ Deferred Compensation
- ☐ Stock Ownership
- ☐ Vacation Pay
- ☐ Holiday Pay
- ☐ Sick Pay
- ☐ Paid Leave
- ☐ Community Service Pay
- ☐ Sabbaticals
- ☐ Bereavement Pay
- ☐ Family / Medical Leave
- ☐ Benefits Continuation During Unpaid Leave
- ☐ Flexible Benefits / Cafeteria Plans

HEALTH, SAFETY AND SECURITY

- ☐ Employee Assistance Program
- ☐ Employee Wellness Program
- ☐ Drug-free Workplace Policies & Programs
- ☐ Drug Testing
- ☐ Stress Management Program

- ☐ Smoking Policy
- ☐ Safety Promotion Programs
- ☐ Accident Investigations
- ☐ Safety Inspections
- ☐ Human Factors Engineering (Ergonomics)

OTHER HUMAN RESOURCE MANAGEMENT POLICIES AND PRACTICES**A. Human Resource Planning**

- ☐ Environmental Scanning
- ☐ Forecasting Internal HR Supply & Demand
- ☐ Replacement Charts
- ☐ Succession Planning
- ☐ HR Information Systems (HRIS)

B. Quality and Performance Management

- ☐ Total Quality Management (TQM)
- ☐ Performance Improvement Programs
- ☐ Work Teams
- ☐ Self-directed Work Teams
- ☐ Quality Circles
- ☐ Task Forces
- ☐ Employee Suggestion Systems
- ☐ Participative Management
- ☐ Alternative Work Schedules
- ☐ Flextime
- ☐ Compressed Work Week
- ☐ Regular / Permanent Part-Time
- ☐ Job Sharing
- ☐ Phased Retirement
- ☐ Home-based Work / Telecommuting

C. Ethical Issues

- ☐ Organizational Code of Ethics
- ☐ Ethics Training Programs
- ☐ Reward systems to encourage ethical
behavior
- ☐ Electronic Surveillance

D. Performance Appraisals

- ☐ Annual Performance Appraisals
- ☐ 360° Performance Appraisals
- ☐ Group / Team- Based Performance
Appraisals
- ☐ Goal - Setting Programs

APPENDIX B
TOP MANAGER QUESTIONNAIRE

Identification # _____

Strategic Human Resource Management In Louisiana Business

Top Manager Perspective

This survey represents an effort to better understand how top managers feel about a variety of HRM issues affecting their organizations. This survey contains questions designed to supplement and complement those in a survey that is being completed by the human resource manager in your organization.

Please answer all questions. If you wish to comment on any questions or qualify your answers, please feel free to use the space in the margins.

Thank you for your help.



**Department of Management
Louisiana State University
Baton Rouge, LA 70803**

- Q-10 Using the following scale, please indicate your agreement with the following statements. In the blank next to each statement, please write the number that corresponds to your answer (1, 2, 3, 4, or 5).

STRONGLY AGREE

1

2

3

4

STRONGLY DISAGREE

5

- ____ Our organization offers a narrow range of products.
 ____ Our organization establishes and maintains a stable product-market posture.
 ____ When our customers purchase products, they tend to buy many different things.
 ____ Our organization is at the forefront of innovation and development.
 ____ The characteristics of our products differ a great deal from one another.
 ____ Our organization sells to a wide variety of customers.
 ____ The needs of our customers are very similar to one another.
 ____ Our organization offers many different services to customers.
 ____ Our business procedures have changed several times in past years.
 ____ The characteristics of our products are modified frequently.
 ____ The needs of our customers vary quite a bit from one year to the next.

- Q-11 Compared to other organizations that do the same kind of work (e.g., with whom you compete), how would you compare your organization's current performance in terms of....

(circle your answer)

MUCH
WORSEMUCH
BETTER

Quality of New Products, Services, or Programs	1	2	3	4
Development of New Products, Services, or Programs	1	2	3	4
Ability to Attract Essential Employees	1	2	3	4
Ability to Retain Essential Employees	1	2	3	4
Satisfaction of Customers or Clients	1	2	3	4
Relations Between Management and Other Employees	1	2	3	4
Relations Among Employees in General	1	2	3	4
Marketing	1	2	3	4
Growth in Sales	1	2	3	4
Profitability	1	2	3	4
Market Share	1	2	3	4

Part II - Some Information About the Human Resource Management Function in Your Organization

Please indicate your agreement with the following statements about the human resource management function in your organization. Circle the number that corresponds to the answer that best describes the current status of the HRM function in your organization.

- Q-12 In this organization, a major role of the human resource manager is an integral member of top management.

STRONGLY AGREE

1

2

3

4

STRONGLY DISAGREE

5

- Q-13 The human resource manager in this organization has significant input on most business matters.

STRONGLY AGREE

1

2

3

4

STRONGLY DISAGREE

5

- Q-14 In our organization, human resources planning is linked to strategic business planning.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-15 The human resource management function in this organization successfully matches the characteristics of managers to the strategic plan of the firm.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-16 The human resource management function in this organization identifies the managerial characteristics necessary to run this firm in the long term.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-17 The human resource management function in this organization modifies the compensation system to encourage managers to achieve long-term strategic objectives.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-18 The human resource management function in this organization changes staffing patterns to help implement business or corporate strategies.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-19 The human resource management function in this organization evaluates key personnel based on their potential to carry out strategic goals.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-20 The human resource management function in this organization conducts job analyses based on what the job may entail in the future.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-21 The human resource management function in this organization conducts development programs designed to support strategic changes.
 STRONGLY AGREE 1 2 3 4 STRONGLY DISAGREE 5
- Q-22 Using the following scale, please answer the following questions regarding the human resource function in your organization. In the blank next to each statement, please indicate your answer by writing the number (1 - 7) corresponding to the following.

NOT AT ALL 1 2 TO A MODERATE EXTENT 3 4 5 ENTIRELY 6 7

_____ Overall, to what extent do you feel your human resource department is performing its job the way you would like it to be performed?

_____ To what extent has the human resource department met your expectations in its human resource management roles and responsibilities?

_____ If you had your way, to what extent would you change the manner in which this department is doing its job?

- Q-23 How effective is your human resource management department in responding to your questions?
 VERY EFFECTIVE MODERATELY EFFECTIVE VERY INEFFECTIVE
 1 2 3 4 5
- Q-24 How much trust and confidence do employees in your firm have in the human resource management department?
 MUCH TRUST MODERATE TRUST LITTLE TRUST
 1 2 3 4 5
- Q-25 How cooperative is your human resource management department?
 VERY COOPERATE MODERATELY COOPERATIVE VERY UNCOOPERATIVE
 1 2 3 4 5
- Q-26 How objective and neutral is the human resource management department in your firm in resolving disputes?
 VERY OBJECTIVE MODERATELY OBJECTIVE VERY SUBJECTIVE
 1 2 3 4 5
- Q-27 How innovative is the human resource management department in your firm in devising programs to enhance employee morale and company allegiance?
 VERY INNOVATIVE MODERATELY INNOVATIVE NOT INNOVATIVE
 1 2 3 4 5
- Q-28 How much team work is there between human resource management and line management in your firm?
 MUCH TEAMWORK LITTLE TEAMWORK
 1 2 3 4 5
- Q-29 How effective has the human resource management department in your firm been in developing a positive company image?
 VERY EFFECTIVE MODERATELY EFFECTIVE VERY INEFFECTIVE
 1 2 3 4 5
- Q-30 To what extent does the human resource management department in your firm have a strategy to support management business plans?
 TO A GREAT DEGREE NOT AT ALL
 1 2 3 4 5
- Q-31 This final next question deals specifically with the amount of discretion the human resource manager in your firm has in performing his / her job. By discretion, we mean the latitude of action they have in performing the job of human resource manager (or the extent to which they have a wide range of potential courses of action that they are able to choose from in the major HRM decision domains). For each of the following human resource management activities, please indicate the level of discretion given to the human resource manager in your firm by circling the number that most closely corresponds to your answer.

	LITTLE DISCRETION		MODERATE DISCRETION		MUCH DISCRETION
Staffing / Human Resource Planning	1	2	3	4	5
Organization / Employee Development	1	2	3	4	5
Compensation / Employee Relations	1	2	3	4	5
Employee Support	1	2	3	4	5
Legal Compliance	1	2	3	4	5
Labor / Union Relations	1	2	3	4	5
Policy Adherence	1	2	3	4	5
Administrative Services	1	2	3	4	5

APPENDIX C
COVER LETTERS / REMINDER POSTCARD



Greater Baton Rouge Society for Human Resource Management

P.O. Box 3891 • Baton Rouge, Louisiana 70821-3891

June 21, 1996

Dear SHRM Member,

Faculty in the Department of Management at Louisiana State University are conducting a research project focusing on HRM in Louisiana businesses. This research is significant because it examines the roles that a wide range of factors, including governmental regulation and organizational characteristics, play in influencing the structure of HRM and the role that the HRM function has in enhancing organizational effectiveness.

As you know, there has been a great deal of interest in the ways in which HRM contributes to the larger organization. Despite this interest, little is known about the degree to which businesses in Louisiana or elsewhere are benefiting from effective human resource management. In order to better understand this process, it is important that our profession is open to research projects such as this one.

The project is directed by Professor Nate Bennett. Many of you may know Nate through his interactions with the Greater Baton Rouge Chapter or through his presentations at other professional meetings. In fact, Nate has recently agreed to volunteer his time as a speaker at our upcoming State meeting. He will be discussing the important issue of costing human resource management.

Participation in the research project is straightforward and painless. Project staff will send you two short surveys - one for you to complete and one for you to forward to a member of top management familiar with the human resource function in your firm. The surveys will be returned through the US mail directly to Dr. Bennett's staff at LSU. Please understand that the surveys are treated with confidentiality; your individual responses will not be shared with anyone.

Dr. Bennett has agreed to make summary results available to participants. We would hope that presentation of the findings will be requested by various SHRM chapters; Dr. Bennett has agreed to make such presentations wherever they are wanted.

Finally, we are confident that these results will provide important information that will help all of us be more effective in our jobs. A strong response to the research will reflect well on the profession in the State, as the research will result in truly cutting edge information about HRM.

Your participation is appreciated. Thank you for your cooperation.

Cordially,

Lynne M. Bourgeois, SPHR

A Local Chapter of





LOUISIANA STATE UNIVERSITY
 AND AGRICULTURAL AND MECHANICAL COLLEGE
 Department of Management • College of Business Administration

July 8, 1996

Dear Human Resource Manager:

Attached you will find the questionnaires Lynne told you about in the attached cover letter. The questionnaire labeled Human Resource Manager Perspective is for you to complete and return, and the one labeled Top Manager Perspective is for you to pass on to a member of top management familiar with the HRM function in your organization (e.g., CEO, Vice President, etc.) to complete. We are conducting this research in conjunction with the Society of Human Resource Management, and your name was given to us as the HRM representative for your company. If you feel that a different member of the HRM function in your organization would be better qualified to answer the HRM survey, please pass it on to them. In order for us to have a complete understanding of the organization where you work, it is important for us to receive both the top and human resource manager questionnaires.

Once again, we appreciate your participation in our research. The information you provide will give us valuable information about the role the HR function can play in enhancing the success of the firm. Ultimately, the results of our work will be shared with you through future SHRM events.

Please remember that your individual responses will not be shared with anyone. Your responses will be treated with complete confidentiality. Identification numbers are used only to match your responses with that of the top manager in your firm.

Thank you for your participation. Please feel free to call with any questions or concerns you may have.

Cordially,

Elyssa Blanton Schultz
 Department of Management
 Louisiana State University

Baton Rouge • Louisiana • USA • 70803-6312 • 504/388-6101 • TELEX 510-993-3414 • FAX 504/388-6140



LOUISIANA STATE UNIVERSITY
 AND AGRICULTURAL AND MECHANICAL COLLEGE
 Department of Management • College of Business Administration

July 8, 1996

Dear Top Manager:

Attached you will find a questionnaire which is part of a research project being conducted by faculty in the Department of Management at Louisiana State University. This research examines the role that a wide range of factors, including governmental regulation and organizational characteristics, play in influencing the structure and content of HRM and the role that the HRM function has in enhancing organizational effectiveness. The questionnaire attached for you to complete is designed to supplement a questionnaire which is being completed by the human resource manager in your organization.

Once again, we appreciate your participation in our research. The information you provide will give us valuable information about the role the HR function can play in enhancing the success of the firm. Ultimately, the results of our work will be shared with your human resource manager through future SHRM events.

Please remember that your individual responses will not be shared with anyone. Your responses will be treated with complete confidentiality. Identification numbers are used only to match your responses with that of the human resource manager in your firm.

Thank you for your participation. Please feel free to call with any questions or concerns you may have.

Cordially,

Elyssa Blanton Schultz
 Department of Management
 Louisiana State University

July 10, 1996

Several days ago, two questionnaires concerning the role of HRM in your organization were sent to you: one for you to complete and one for you to pass on to another member of top management in your organization familiar with the HR function.

If you have already completed and returned your survey to us, please accept our sincere thanks. If not, please do so at your earliest convenience (by July 22, if possible). Because our survey has been sent to only a small sample of human resource managers, it is extremely important that yours be included in our study if the results are to accurately represent the current state of HRM in Louisiana.

If by some chance you did not receive the questionnaires, or if they have gotten misplaced, please call me at (504) 388-6101, and I will send you another one today.

Sincerely,

Elyssa Blanton Schultz

APPENDIX D
VARIABLES, MEASURES, AND SOURCES

VARIABLES

ENVIRONMENTAL VARIABLES: Institutional Constituencies, Multiplicity of Demands, Public v. Private Organization, Legal Coercion, Diffusion of HRM Practices, Environmental Uncertainty, Interconnectedness, Resource Availability, Industry Instability

ORGANIZATIONAL VARIABLES: Resource Availability, Internal HRM Constituencies, Multiplicity of Demands, Inertia, HRM Integration

MANAGERIAL VARIABLES: Tolerance for Ambiguity, Educational Attainment, Locus of Control, Political Power

DEPENDENT VARIABLES: Human Resource Manager Discretion, HRM Practice Dissimilarity

MEASURES AND SOURCES

HRM Constituencies (Institutional and Internal): Number and level of influence of groups that HRM comes in contact with. Adapted from Tsui (1990). **Source:** Human Resource Manager.

Public V. Private Organization: Nature of organization ownership. **Source:** Top Manager.

Legal Coercion: 6 original items. Influence of legal environment on HRM. Suggested by Oliver (1991) **Source:** Human Resource Manager.

Diffusion of HRM Practices: 10 original items. Suggested by the work of DiMaggio and Powell (1983). **Source:** Human Resource Manager.

Environmental Uncertainty: 6 items adapted from Duncan (1972) **Source:** Human Resource Manager.

Interconnectedness: Perceptual measure of business, professional, and membership organization involvement Suggested by Oliver (1991). **Source:** Human Resource Manager

Industry Instability: Perceptions of Industry instability on six dimensions. 6-item scale based on Guthrie and Olian (1991). **Source:** Top Manager.

Resource Availability: Unemployment Rate- Average unemployment rate over the last 12 months in the labor market. **Source:** Louisiana Department of Labor.

Resource Availability: Turnover Rate - Number of employees who turned over from organization over the last 12 months. **Source:** Human Resource Manager.

Internal Resource Availability: Personnel Ratio - number of employees in operating unit relative to each HRM staff member. Suggested by Tsui (1990). **Source:** Human Resource Manager.

Inertia: Size - the natural logarithm of the total number of employees in the organization. **Source:** Human Resource Manager.

Inertia: Age - the year in which the organization was founded subtracted from the current year. **Source:** Top Manager.

HRM Integration: Three-item scale based on the work of Golden and Ramanujam (1985). **Source:** Human Resource Manager and Top Manager.

HRM Integration: 7 item scale from Huselid (1995) **Source:** Top Manager

Tolerance for Ambiguity: 7 item scale from Norton (1975) based on Ashford and Cummings (1985). **Source:** Human Resource Manager.

Educational Attainment: Level of Education. Based on Wally and Baum (1994). **Source:** Human Resource Manager.

Locus of Control: 8 item scale from Spector (1988). **Source:** Human Resource Manager.

Informal Political Power: Gender, Years in HRM, Organizational Tenure, HRM Tenure with Organization. **Source:** Human Resource Manager.

Human Resource Manager Discretion: 5 items based on previous work on formalization. **Source:** Human Resource Manager.

Human Resource Manager Discretion: 3 items assessing general choice and opportunity **Source:** Human Resource Manager.

Human Resource Manager Discretion: 8 items assessing 8 specific HRM decision making areas. **Source:** Human Resource Manager and Top Manager

HRM Dissimilarity: List of 141 HRM practices in 6 areas administered to Human Resource Managers adapted from the content outline of the HR body of knowledge for the Human Resource Certification Institute. **Source:** Human Resource Manager

APPENDIX E
CORRELATIONS AMONG STUDY VARIABLES

VARIABLE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Disimilarity Variables																			
1. Selection & Placement	1.0000																		
2. Recruitment	.2746'	1.0000																	
3. Training & Development	.3470'	.3497'	1.0000																
4. Compensation	.2151'	.3928'	-.0122	1.0000															
5. Benefits	.4106'	.2993'	.2258'	.1318	1.0000														
6. Health, Safety, & Security	.2428'	.2363'	.2615'	.0427	.3122'	1.0000													
7. Other HRM Practices	.0313	.3882'	.2579'	.3565	.0729	.2787'	1.0000												
8. Overall HRM Practices	.3901'	.6724'	.5918'	.4698'	.4132'	.4825'	.7380'	1.0000											
Discretion Variables																			
9. Structural Discretion	-.0224	.0742	.1453	.0535	-.0688	.0986	.1272	.1139	1.0000										
10. General Discretion	.1765'	.1382	.0691	.1385	.0209	.0876	.0835	.1039	.3691'	1.0000									
11. Specific Discretion	.1198	.1646'	-.0028	-.1039	.1465	-.0351	-.1086	-.0417	.2486'	.5395'	1.0000								
12. Number Constituents	.0590	.0538	.1729'	-.1826'	.0404	-.1282	-.0618	.0146	-.0872	.0773	.1355	1.0000							
13. Conflict	-.0824	.0228	-.1054	.0934	-.0141	-.0852	-.1760'	-.1464	.0395	-.0129	-.1223	-.0237	1.0000						
14. Sector	-.0871	.1380	.1702'	.0044	-.0422	.1204	.1559	.1644'	.3343'	.1143	-.0841	.0520	.1283	1.0000					
15. Legal Coercion	.1402	.0808	.1167	-.1277	.1460	-.0266	-.1272	.0236	.2908'	-.0282	.1475	.1127	.1623'	.0928	1.0000				
16. Coercive Influences	.0703	-.0084	.1254	-.1121	.1349	.0078	-.1516	-.0454	-.0111	.0158	.0835	.1980	.1098	.0873	.2156'	1.0000			
17. Normative Influences	.0719	.1003	.0160	.0267	-.1361	-.0440	-.0594	-.0083	.0834	.0000	.0457	.0074	.1738'	.0026	.1642'	.1859	1.0000		
18. Mimetic Influences	.0900	.0180	.0156	-.0602	-.0103	.0242	-.1619	-.0817	.0017	.0889	.0410	.0931	.2362'	-.0191	.2123'	.3781'	.6098'	1.0000	
19. Rational Influences	.0568	-.0493	.0291	-.0532	.1077	-.0785	-.2544	-.1546	.1580'	.0717	.1386	.0844	.1725	-.0567	.1315	.6595'	.2161'	.4136'	1.0000

VARIABLE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
20. Environmental Uncertainty	.0080	-.1686 ¹	-.0659	-.1622 ¹	.0846	.1119	-.0350	-.0019	-.1219	-.3497 ¹	-.1489	.0343	.0638	.1073	-.0593	-.0371	-.1435	-.1786	-.1501
21. Number Membership Organizations	-.0693	.0062	.0927	.1276	.0641	.0707	.0321	.0936	.0236	.1393	.0258	.2703 ¹	-.0161	.1418	-.0096	-.0144	-.0022	-.0947	-.1109
22. Level of Activity	-.0656	.0341	.2000 ²	.1056	.0371	.1232	.1074	.1624 ¹	.0851	.0637	-.0132	.2378 ²	-.0167	.1342	.0384	-.0139	.0467	-.0714	-.0910
23. Unemployment Rate	.0474	.0313	.0324	.1641	-.0183	-.0347	-.0488	-.0204	.1286	.2043 ¹	.1200	-.2419 ²	.0292	-.0881	.0081	.0928	.1865 ²	.1575	.0437
24. Turnover Rate	.0349	-.0241	-.0400	-.0461	.0316	.0041	-.1065	-.0467	-.0780	-.1244	.0538	.0213	.0798	-.2159	-.0116	.1765 ¹	-.0071	.0595	.1257
25. Industry Instability	.0319	-.0036	-.0647	.1079	-.0156	.0441	-.0092	-.0025	-.0107	.1206	.1104	-.0538	-.0887	-.0711	-.1282	-.0122	-.0059	-.1070	-.1407
Organizational Variables																			
26. Personnel Ratio	-.1863 ¹	-.0233	-.1183	-.0616	.1308	-.1073	.0101	-.0854	.0727	-.0311	-.0081	.0438	.0495	-.0531	-.0112	.0164	.0756	-.0111	.0445
27. Number Constituents	.1099	.0397	-.0156	.0264	.1572	.0249	-.0449	.0267	.1410	.1531	.2211 ¹	.1527	.0159	-.0758	.1652	.0233	.1576	.0435	.1523
28. Size	-.0423	.1615 ¹	.3178 ¹	.0009	-.0125	.0691	.1460	.2287 ²	-.0686	-.0806	-.2099 ²	.0455	.0546	.2165	-.1769	-.0734	-.0145	-.0194	-.0216
29. Age	.1565 ¹	.0937	.0407	.1595 ¹	-.0940	.2448 ¹	.1958 ¹	.2089 ²	.1214	.0265	-.0464	-.2144 ²	.0422	.0453	.0382	-.1589 ¹	.0200	-.0165	-.1470
30. HRM Integration	.1421	.1908 ²	.0323	.1161	.1574	.0289	.1508	.1326	.2006 ¹	.4195 ¹	.4036 ¹	-.0782	-.0964	.0431	.0292	-.0967	-.0251	.0217	.0618
31. SIHRM Index	.0241	.0712	.0207	-.0118	.1028	.1314	.0682	.0446	.2199 ²	.2638 ¹	.2336 ¹	-.1637 ¹	.0700	-.0123	.0413	-.1595	.0348	.0327	.0662
Managerial Variables																			
32. Tolerance for Ambiguity	.0368	.0880	.0187	.1507	.0160	-.1880	.1149	.1067	-.0281	.0905	.0607	.1393	.0106	.0382	.0518	-.1753	-.0310	-.1114	-.2198 ¹
33. Education	.1937 ²	.1117	.0197	.2285 ²	-.0782	.1268	-.0380	.0668	.1348	.2535 ¹	.0828	-.0250	.1212	.0846	.0509	-.1193	.0190	.0536	-.0980
34. Locus of Control-.0740	-.0280	-.0766	.0957	-.1261	-.0683	.0153	.0263	-.2122 ¹	-.2257 ¹	-.2302 ²	-.0055	-.0113	-.0944	-.0517	-.1173	-.2321 ²	-.1991 ¹	-.2101 ²	
35. Gender	-.0550	-.0367	.1006	-.2003 ²	.1714 ¹	-.0061	-.0498	-.0843	-.0259	-.0265	.2029	.0998	.2667 ¹	.1963 ²	.2244 ²	.2930 ¹	-.1138	-.0789	.1755 ¹
36. HRM Tenure	-.1194	.0242	.0589	.0911	-.1818 ¹	.0708	.1666 ¹	.1007	.1366	.0421	-.0216	-.0243	-.1745 ¹	.0872	-.0442	-.0677	.0218	-.0032	-.0960
37. Organization Tenure	-.1430	.0727	.0622	.0014	-.0753	-.0006	.0645	.0539	.0188	-.0679	.0415	.2609	-.2298 ²	-.0309	-.0105	-.0884	-.0054	-.2108	-.0151
38. Current Position Tenure	-.1730 ¹	-.0032	.0116	-.0879	-.0594	.1136	-.0699	-.0537	-.0073	-.0703	-.0077	.2989	-.1760 ¹	.0548	.0802	.1180	-.0479	-.0924	.1362

VARIABLE	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
20. Environmental Uncertainty	1.0000																		
21. Number Membership Organizations	.0817	1.0000																	
22. Level of Activity	.0728	.9282 ¹	1.0000																
23. Unemployment Rate	-.2335 ¹	-.0133	.0172	1.0000															
24. Turnover Rate	-.0101	-.1891 ¹	-.1270	-.0509	1.0000														
25. Industry Instability	-.0627	.0321	-.0093	.0650	-.1625	1.0000													
Organizational Variables																			
26. Personnel Ratio	.0686	-.0226	-.0184	-.0355	-.2189 ²	.0470	1.0000												
27. Number Constituents	-.2286 ²	.1193	.1218	-.0246	.0073	.0470	-.0223	1.0000											
28. Size	.0762	.1426	.1203	.0261	-.2320	-.1442	-.1552	-.1474	1.0000										
29. Age	-.0912	.0205	.0392	-.0371	.1778 ¹	-.0196	-.7045 ¹	.0711	.1063	1.0000									
30. HRM Integration	-.3916 ¹	-.0219	-.0297	.1506	-.0967	.0501	.1359	.1506	-.0824	-.0197	1.0000								
31. SIRM Index	-.1875 ¹	-.0216	-.0087	.0769	-.0788	.0339	.2072 ¹	-.0230	-.1229	-.0518	.3658 ¹	1.000							
Managerial Variables																			
32. Tolerance for Ambiguity	-.0509	.0568	-.0033	-.0423	-.0190	.1764 ¹	-.1580	.0130	.0264	.1608 ¹	.2108 ¹	.0196	1.0000						
33. Education	-.1068	.2114 ¹	.1696 ¹	.1227	-.0920	.0018	-.0423	-.0986	.0631	.1205	.1068	.0593	.1562	1.0000					
34. Locus of Control, 1968 ¹	.0011	-.0192	-.1024	.1630	-.0879	-.2369 ²	-.0717	.0119	.1526	-.2768 ¹	-.2715 ¹	.1762 ¹	.0633	1.0000					
35. Gender	.0148	-.0669	-.806	-.1822 ¹	.0238	-.0561	.1397	-.0545	-.0858	-.1941 ²	.0574	.0608	-.1412	-.2855 ¹	-.1903 ¹	1.0000			
36. HRM Tenure	-.2656 ¹	.0724	.0732	.0968	-.1053	.0381	-.2123 ¹	.2068 ¹	.1013	.2468 ¹	.1400	-.0351	.1629 ¹	.0486	.1205	-.2832 ¹	1.0000		
37. Organization Tenure	.0256	.3461 ¹	.3470 ¹	.0451	-.2265 ¹	.0809	.0525	.1749 ¹	.1612 ¹	-.0406	-.0527	-.0982	-.0163	-.1655 ¹	.0251	-.0924	.1561	1.0000	
38. Current Position Tenure	-.0326	.3405 ¹	.2936 ¹	-.1481	-.2208 ²	.0481	.0075	.1453	.0550	-.0749	-.0665	-.0791	-.0593	-.0908	.0766	.0151	.2881 ¹	.6811 ¹	1.0000

1 - $p \leq .10$ 2 - $p \leq .05$ 3 - $p \leq .01$

VITA

Elyssa Schultz is a graduate of The University of Alabama with a Bachelor of Science in Corporate Finance and Investments (1989) and a Master of Business Administration (1991). During her doctoral program at Louisiana State University, she authored or coauthored articles that have appeared in Journal of Applied Psychology, Journal of Employee Assistance Research, Journal of Small Business Strategy, and Human Resource Management Journal.

Elyssa will begin a position as Assistant Professor at Loyola University - New Orleans in August, 1997. There, she will be teaching both graduate and undergraduate classes in Organizational Behavior and Human Resource Management. She, her husband, Robert, and their two cats live in Metairie.

MASTER'S EXAMINATION AND THESIS REPORT

Candidate: Elyssa Blanton Schultz

Major Field: Business Administration (Management)

Title of Thesis: Modeling HRM in Context: Examining the Role of Human Resource Manager Discretion

Approved:

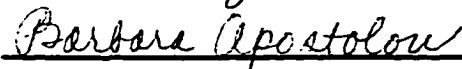
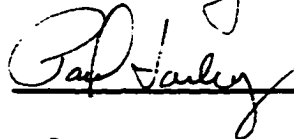
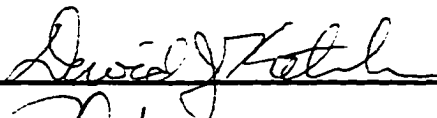


Major Professor and Chairman



Dean of the Graduate School

EXAMINING COMMITTEE:



Date of Examination:

July 3, 1997