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Predicting HR's involvement and influence in strategic decision-making**

While it has become increasingly common to envision the HR function having an expanded role in business, we know little about the determinants of its strategic involvement and influence. Drawing on strategic contingencies theory (SCT) and institutional theory, a model for both constructs was developed and tested. Structural equation modeling (SEM) was used to analyze web-survey data from 167 firms in the U.S. and Canada. As predicted, HR coping ability, firm size, and human-capital munificence were positively related to strategic involvement. Strategic influence, in turn, was directly related to HR centrality and the level of involvement. Moderated regression analysis failed to support either of the hypothesized country effects. Implications for future research and management practice are discussed at the end of the article.

Key words: **HR involvement, HR influence, strategic contingencies theory, strategic HRM** (JEL: J29, M12, M19)

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Introduction

From its genesis as a set of welfare secretaries (Jacoby, 2003; Trice, 1993) to modern incarnations as strategic partners (e.g., Boudreau & Lawler, 2009; Lawler & Mohrman, 2003; Pritchard, 2010; Ulrich, 1997), the HR function's primary value-added comes from a continuing evolution of workplace practices to competitively strengthen the firm. While this goal is straightforward and easy to acknowledge, its realization is far from assured. For example, Legge (1978) noted the tendency for line managers to have both ambiguous perceptions of HR's role and a belief it's oblivious to their needs. Kahnweiler (2006) added that HR often is stymied by limited power and negative workforce perceptions. The pervasiveness of this dynamic is corroborated in surveys, where line managers are consistently less likely than HR respondents to believe that HR makes, or is capable of making, a strategic contribution to the firm (e.g., Clements, 2011; Payne, 2010; Woods, 2012; Wright, McMahan, Snell, & Gerhart, 2001; Yusoff, Abdullah, & Ramayah, 2009). Clements (2011) further observed an increasing negativity among line respondents regarding HR's perceived ability to be proactive, influential, and customer-focused in its dealings with the rest of the business. If widely shared, this managerial mindset would at least partially explain why less than half of the executives in one investigation agreed to a large extent that HR experienced a level of respect that was comparable to other departments (Fegley, 2006).

Recommendations nevertheless abound on ways that HR might elevate its strategic position. For example, senior HR leaders have been encouraged to embrace a dynamic competency model with roles that range from "credible activist" to "strategic positioner" to deliver more value to organizational stakeholders (e.g., Boselie & Paauwe, 2005; Ulrich, Brockbank, Johnson, & Younger, 2007; Ulrich, 2012). Others have called for ongoing, symbolic action that (1) highlights the essential nature of HR's activities and (2) affirms the criticality of its boundary-spanning efforts (Galang & Ferris, 1997; Russ, Galang, & Ferris, 1998). Still others envision value in informal initiatives. This could include impromptu "strategy" conversations with other executives, providing sound input when invited to board meetings, and volunteering for secretariat board-roles (Brewster, Larsen, & Mayrhofer, 2000; Kelly & Gennard, 2007). Among the most ambitious proposals would be to recast HR with the strategy and structure needed to become a respected internal-consulting unit (Vosburgh, 2007), and perhaps even a profit center with fee-paying clients (Cox, Hagen, & Vogel, 2009).

While promising in the abstract, most of these initiatives are heavily dependent on HR already participating in top-level decision making. To illustrate, substantial investments are needed to effectuate the expansive role-set referenced above, raising questions about whether HR has garnered the assets, or is capable of securing them, when it does not normally control resource allocations (Farndale & Hope-Hailey, 2009). Informal engagements pose similar concerns. Opportunistic corridor talks and ministerial initiatives are predicated on having levels of political acceptance from, and physical proximity to, C-level actors and members of the board that are not universally extended to HR units. Acknowledging that there can be a negotiated evolution in HR's role-set (Truss, 2009), these behaviors are merely aspirational in too many firms.

This calls for a more thorough understanding of HR involvement and influence, especially of their underlying drivers.

The present study makes three contributions to the management literature. It is the first investigation to directly test whether strategic contingencies theory explains HR's involvement and influence in private-sector settings. This constitutes an important extension of Farndale and Hope-Hailey's (2009) work in the UK higher-education sector.[1] Next, we assess how HR technologies (HRTs) impact involvement and influence. Much has been written over the last decade to suggest that HRTs facilitate strategic behaviors, both by freeing up staff time for strategic initiatives (Gainey & Klaas, 2009; Haines & Lafleur, 2008; Hussain, Wallace & Cornelius, 2006) and enhancing the prospects for analytics and modeling (e.g., Bersin, 2013; CedarCrestone, 2013; Harvard Business Publishing, 2014). Although positive correlations have been reported between the function's use of technology and its role in strategy (Boudreau & Lawler, 2009; Lawler & Boudreau, 2012, 2006), formal tests of this relationship are heretofore lacking. Finally, we probe for country effects in our two-nation sample — something that hasn't been attempted in earlier studies (c.f., Homburg, Workman, & Krohmer, 1999; Verhoef, Leeflang, Reiner, Natter, Baker, Grinstein, Gustafsson, Morrison, & Saunders, 2011).

Literature review

While the notion of a strategically active and impactful HR function has received widespread acceptance (e.g., Boudreau & Lawler, 2009; Brewster et al., 2000; Buyens & De Vos, 2001; Caldwell, 2011; Francis & Keegan, 2006; Gerpott, 2015; Kelly & Gennard, 2001, 2007; Truss, Gratton, Hope-Hailey, Stiles, & Zaleska, 2002; Ulrich, 1997), the means of achieving that are largely unexplored. We begin with the proposition that HR must be strategically positioned in the larger organization to have a say in high-level issues. Strategic position has been defined as having direct representation in strategically important groups and the capacity to exert influence on their decision-making processes (Reichel & Lazarova, 2013). This resonates with Wright et al.'s (2001) characterization of HR's "strategic partner" role, which emphasizes the function's participation in, and influence over, strategy formulation. Similar arguments also can be found in works on the strategic involvement (Teo & Rodwell, 2007; Sheehan & Cooper, 2011; Wright, McMahan, McCormick, & Sherman, 1998), strategic participation (Uen, Ahlstrom, Chen, & Tseng, 2012), and strategic integration (Bennett et al., 1998; Budhwar, 2000; Dany et al., 2008) of HR. Together, they raise critical questions about the prevalence, modalities, and predictors of this state as well as its documented outcomes. Each will be detailed in the paragraphs that follow.

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1 The fact that public- and private-sector HR departments normally operate in very different contexts (Truss, 2008; Truss, 2009, p. 718; Boyne et al., 1999, p. 13) suggests there may be systemic differences in their involvement and influence. While comparative analyses are not available for HR, Kenny et al. (1987) found patterned differences in both variables for other types of units.

HR strategic involvement

In its broadest incarnation, strategic involvement encompasses everything from the identification and formalization of strategic possibilities through the implementation and reinforcement of strategic initiatives. A more rigorous definition clearly is needed to avoid classifying virtually all HR departments as somehow "involved" (e.g., Lawler & Boudreau, 2012). Seeking to avoid this problem, some researchers have counted the number of activities the function is engaged in (Uen et al., 2012; Wright et al., 1998). The concern with this approach is that there are fundamental differences in their shaping of strategy (intended or emergent) which must be accommodated with appropriate weighting. For instance, discussing HR problems and opportunities is a form of involvement, but it signals less of a role in the evolution of strategy than would inclusion in business decisions (e.g., strategic alliances, capital budgeting, market expansion or diversification). The same holds true when HR systems are simply implemented or revised to be supportive of finalized strategies.

At a minimum then, the timing of entry is a pertinent consideration. Buyens and De Vos (2001) argued that the earlier HR is engaged in the process, the greater its impact is likely to be. Some scholars have taken this a step farther, asserting that HR's early involvement is more than just preferable — it's a vital determinant of functional influence (Farndale, 2005, p. 666; Lawler & Boudreau, 2012, p. 32). Lawler and Boudreau (2009, 2012) reported that HR tends to gain access almost from the outset; being moderately involved, on average, in the firm's identification and design of "strategy options". However, true patterns-of-practice are difficult to discern without the frequencies and variances for each of their samples. More detailed profiles have appeared elsewhere, showing wide variations in HR's inclusion (Budhwar, 2000; Brewster et al., 2000; Caldwell, 2011; Farndale, 2005). Depending on the national sample, a third to three-fifths of responding firms involved HR in strategy right from the outset. In all of these works, HR's probability of involvement continued to grow larger as the process moved forward towards implementation. The same patterns are evident in business decision-making (Jacoby, Nason, & Saguchi, 2005; Sheehan & Cooper, 2011). Such variability must be recognized when measuring involvement.

The specific modes of involvement may be less of an issue. HR can directly contribute in two distinct ways — via formal strategic planning and informal decision-making (Brewster et al., 2000). Thus, while board (and perhaps strategic planning group) membership holds strong symbolic capital (Caldwell, 2011), their absence is not a barrier to meaningful participation. Kelly and Gennard (2007) found that non-member HR executives still felt they had access to strategy formulation through CEO contacts and invited board appearances. Other surveys indicate that boards often are assisted by senior HR leaders (e.g., lending their expertise to better facilitate board people processes), expanding their opportunities for strategic interaction (Creelman & Lambert, 2012; Lawler & Boudreau, 2006). Thus, construct deficiency is a serious concern when scales limit their inquiry to formal HR postings (e. g., Dany et al., 2008; Reichel & Lazarova, 2013). The existence of informal channels also must be captured to fully encompass the content domain.

What issues are opened to HR is of much greater interest. Human-capital matters are a minimal expectation. Not surprisingly, there is evidence that HR is regularly involved in discussions about payroll-size and its distribution (Jacoby et al, 2005), strategic HR activities (Teo & Rodwell, 2007; Lawler & Boudreau, 2006), and the scope and intensity of HR outsourcing (Klaas, McClendon, & Gainey, 2001; Sheehan & Cooper, 2011). The more pressing question is whether there is a broader range of issues the function is consulted on. By analogy, several investigators have probed marketing's influence on — and implicit involvement in — a slew of non-marketing areas (Homburg et al. 1999; Verhoef & Leeflang, 2009; Verhoef et al., 2011). What counterparts, if any, exist for HR? While it clearly was a minority practice, up to 13 percent of the firms in one study included senior HR executives in finance, marketing, and business-planning decisions (Kelly & Gennard, 2001). Jacoby et al. (2005) likewise reported pre-implementation involvement in mergers, spin-offs, and site determinations (i.e., greenfields, expansions, and closures). Depending on the issue, anywhere from one-third to three-fifths of departments were engaged. These investigations demonstrate the need to incorporate wide-ranging categories for involvement and influence. An argument ultimately can be made that the breadth of the areas where HR participates reflects its level of acceptance as a true business partner.

Far less is known about the determinants of involvement. Uen et al. (2012) revealed that high quality, reliable HR services increased the likelihood of strategic participation. While this points to performance as a salient predictor, more research is needed to corroborate their findings. A second antecedent may be HR technology. Lawler and Boudreau (2006) found that boards were decidedly more likely to seek HR's input when it operated an accurate and efficient HR information system. Further insights can be drawn from the sub-unit power literature. We begin by noting that involvement has been equated with a unit's "participation power" (Farndale, 2005; Fried, 1989; Saunders & Saunders, 2009; Merlo, 2011). It also has been codified as an HR-power facet (Galang & Ferris, 1997). A transitive perspective on their relationship suggests that theories which are associated with sub-unit power should be relevant to our understanding of strategic involvement.

Strategic contingencies theory (Hickson, Hinings, Lee, Schneck, & Pennings, 1971) proposes that organizations continually adapt to fit their environment, but do so with departments which are entangled in interdependencies. Pursuant to the theory, three different factors facilitate power. Coping ability is the first unit trait (i.e., the capacity to absorb, or prevent, unfavorable shocks that would undermine workflows in other departments). Next is the concept of unit centrality. Here, the focus shifts to how crucial the execution of assigned responsibilities is to operations and the firm's larger mission. Non-substitutability, the final factor, describes the level of immunity a department experiences from alternative sourcing of its coping activities. The more favorable the positioning in each of these areas, the more attainable structural resources should be (e.g., access to strategic decision-making).

Extensions to HR are historically limited. While Legge (1978) referenced the theory to explain HR power (i.e., asserting that low observed power could be attributed to pervasive failures in demonstrating both coping ability and unit centrality), she stopped short of evaluating its predictive utility. Galang and Ferris (1997) would later

follow suit, opting to ground their hypotheses in SCT-logic without directly assessing the actual merits.[2] Farndale and Hope-Hailey (2009) truly tested the framework, albeit on a limited basis. Strategic involvement was predicted by all three factors for a sample of departments that included HR. However, whether these relationships held true for *each* of the functions was not detailed in the course of their write-up.

In contrast, institutional theory posits that processes, routines, and organizational roles become deeply embedded in a firm's social fabric. Power ultimately is derived from the structures, norms, and resource-allocation patterns that underpin current relationships (DiMaggio & Powell, 1983). Pressures for conformity and legitimacy create inertia against change, vesting power in those favored by existing arrangements. This coincides with Legge's (1978) observation that the unfavorable views existing-power-structures have of HR's past performance and relevance make it hard for the function to upgrade its resources. It also is consistent with trends in involvement. Over the last two decades, the widespread academic and professional discourse about HR's transformation into a strategic partner has not translated as convincingly into corporate practice. Based on a series of surveys, Lawler and Boudreau (2012) concluded that HR's involvement in U.S. business strategy was virtually unchanged since the late 1990s. The same phenomenon unfolded in the United Kingdom, where HR not only failed to show growth in strategic decision-making, but also witnessed a decline in board representation (Guest & King, 2004; Farndale, 2005). Both theories are included in the model that follows.

HR strategic influence

Advice, consultation, and even a "seat at the table" furnish no guarantees that decisions will be impacted. This has prompted several researchers to openly distinguish involvement from strategic influence (e.g., Caldwell, 2011, p. 47; Farndale & Hope-Hailey, 2009; Sheehan & Cooper, 2011). Involvement can be thought of as one of a number of prime latent channels that is created and preserved to secure future resources.[3] This is markedly different from influence, which entails actually steering decisions in a desired direction without inducing such movement through penalties (Willer et al., 1997). In this light, involvement is best viewed as a means toward an end rather than as a sufficient end in itself. Sub-unit power studies reinforce this distinction by separating power into two end states — "potential" versus "realized". Potential power describes the resource-base a department can draw on to alter the course of collective decision-making. "Enacted", "exercised" and "activated" power (i.e., real-

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2 They suggested that targeted symbolic action could shape organizational perceptions of HR's coping ability and non-substitutability; a perspective that is consistent with Sheehan et al.'s (2014) notion of managing the "power of meaning" construct. In this light, HR acquires power to the extent that it can successfully foster impressions that (1) people-management demands are critical contingencies, (2) HR has mastered these contingencies in the past, and (3) it possesses the competencies and systems that are uniquely equipped to manage them effectively moving forward. While symbolic action was the strongest predictor of HR power, distinct SCT components were not measured or tested.

3 Other examples would be securing control over key information flows and stockpiling scarce expertise.

ized power) have repeatedly been characterized as the projection of influence (e.g., Enz, 1989; Homburg et al., 1999; Katrichis & Ryan, 1998). Reichel and Lazarova (2013, p. 924) explicitly equated potential power with HR's capacity to influence, and enacted power with the achievement of influence. Others have adopted a similar outlook (Lucas, 1984; Lucas & Palley, 1987). These definitions are adhered to in the rest of the article.

We conclude this section by noting a tendency in the literature to jointly investigate involvement and influence (e.g., Caldwell, 2011; Farndale & Hope-Hailey, 2009; Hinings, Hickson, Pennings, & Schneck., 1971; Kelly & Gennard, 2001; Saunders & Scamell, 1986; Teo & Rodwell, 2007). This focus makes sense given their complementary orientations (i.e., process versus outcome). One can also evaluate whether a potential power source is being under-utilized by the unit that holds it (Pfeffer, 1981). Finally, it provides a basis for establishing whether antecedents they might share exert direct or indirect effects. Discussion now shifts to our specific hypotheses.

Hypotheses

While line managers share in, and sometimes drive, people-management decisions, their primary stakeholders lay outside the firm (e.g., customers, suppliers, distributors). Experienced skill-gaps, turnover, and performance issues command time, energy, and resource allocations that otherwise would be invested externally. HR departments with more developed capabilities to detect, and redress, human-capital challenges reduce the line's vulnerability to people-management problems. This should strengthen their ability to be strategically involved, and to influence the outcome of business discussions. Prior research has linked coping ability to unit power and influence elsewhere in the firm (Hinings et al., 1974; Katrichis & Ryan, 1998; Lachman, 1989; Lucas, 1984; Merlo, 2011). Accordingly, we expect that:

Hypothesis 1a: HR coping ability will positively impact strategic involvement.

Hypothesis 1b: HR coping ability will positively impact strategic influence.

Human capital is the lifeblood of every organization, transcending the functions and processes to which it is allocated. Surveys continue to underscore the significance that senior executives attach to this topic for national and global competitiveness (e.g., Conference Board, 2010, 2013; Ray, 2011). The greater the importance they attach to this issue, the more strategic receptiveness HR should see. Mounting concerns about effective talent and performance management should afford it more pathways to strategic decision-makers. HR also should experience much greater influence. Firms that believe their competitiveness hinges on labor-market mastery should be more responsive to the input that HR provides. Similar effects were observed when the centrality of marketing, operations, and administration increased (Hinings et al., 1974; Katrichis & Ryan, 1998; Lachman, 1989; Merlo, 2011). As a result, it is predicted that:

Hypothesis 2a: HR centrality will positively impact strategic involvement.

Hypothesis 2b: HR centrality will positively impact strategic influence.

HR's ability to capitalize on these dependencies should be impacted by its ability to control HR services. While HR outsourcing typically is viewed as a boon to the function, the practice is not risk-free. Sheehan and Cooper (2011) warned that service fragmentation lowers HR's capacity to consolidate a shared understanding with other executives of what it is trying to achieve with the workforce. Other research questions the amount of control, decision-making involvement, and relationship-management that HR actually experiences in the outsourcing life-cycle (CIPD, 2009; Lewis, 2009). Even the initial decision to outsource is far more likely to be driven by non-HR executives than by those in HR (IOMA, 2003; Woodall, Scott-Jackson, Newham, & Gurney, 2009). Combine this with the rising interest that HRO vendors have in taking on more transformational work, and it is easy to envision settings where third-party providers would not automatically be viewed as extensions of HR.

Thus, the department's linchpin-position is less likely to be undermined if HR practices and decisions are not readily outsourceable. Similar arguments can be made regarding HR self-service. By analogy, Setterstrom and Pearson (2013) proposed that IT department power would increase when IS features and functionalities become more unique because fewer commercial packages were available to supplant IT staff. These conditions should increase HR's ability to secure power resources and meaningfully impact strategic decision-making. The likely consequences are that:

> *Hypothesis 3a: The non-substitutability of HR services will positively impact strategic involvement.*
>
> *Hypothesis 3b: The non-substitutability of HR services will positively impact strategic influence.*

One shortfall of strategic contingencies theory is that ignores historical interactions and the ensuing outcomes which are deeply embedded in existing relationships (Farndale & Hope-Hailey, 2009, p. 395). Seeking to avoid a myopic focus on present-day determinants, three predictors were added based on institutional theory: department performance, firm size, and past environmental munificence. Together, they reflect how actions and circumstances long since played out can impact strategic position.

Consistently satisfying performance requirements would be one means of bolstering institutional legitimacy. HR managers who perform well against current expectations are expected to strengthen their department's reputational effectiveness. This development should increase their ability to negotiate improvements in roles and resource endowments (Galang & Ferris, 1997; Truss et al., 2002). Consistent with this view, Uen et al. (2012) found that HR-service quality was positively related to strategic participation. Kelly and Gennard (2001) similarly reported that HR directors had a higher probability of influencing strategy when there was an underlying record of HR successes. Therefore, it is anticipated that:

> *Hypothesis 4a: Past HR department performance will positively impact strategic involvement.*
>
> *Hypothesis 4b: Past HR department performance will positively impact strategic influence.*

As employment grows, the complexity and difficulty of managing human capital increases across levels and units. Organizational size has been linked to both formal HR

planning and strategic HR practices (Fiorito, Stone, & Greer, 1985; Huselid, 1993). Size should independently foster strategic involvement — HR having a greater incentive to cultivate access; senior management more receptive to having such channels. HR influence should be greater as well. Line management's intensifying need for, and dependence on, strategically aligned, people-management support should elevate the stature of HR insights and recommendations. For these reasons, we propose that:

Hypothesis 5a: Firm size will positively impact strategic involvement.

Hypothesis 5b: Firm size will positively impact strategic influence.

Environmental munificence (i.e., the abundance of critical resource-stocks in a given environment) affects not only the level of competition to secure needed resources, but also the ability to establish acceptable slack.[4] Units interacting with munificent subenvironments should be able to more consistently deliver key resource-streams to the stakeholders that have come to depend on them. This should improve their standing in the overall power structure (Thompson, 1967), and strengthen their hold on strategic decisions. Castrogiovanni (1991) speculated that differences in departmental influence could be accounted for, in part, by munificence variations in their corresponding subenvironments. For HR, it is the external labor market. Supply and demand forces here will determine the prospects and affordability of satisfying the firm's talent needs. We use the label "human capital munificence" to describe favorable conditions in this regard. This leads us to predict that:

Hypothesis 6a: Human capital munificence will positively impact strategic involvement.

Hypothesis 6b: Human capital munificence will positively impact strategic influence.

Hoped-for influence only becomes a reality when social power is present and effectively leveraged (Merlo, 2011; Katrichis & Ryan, 1998; Pfeffer, 1981). Social power has been viewed as a multi-dimensional construct, encompassing such things as legitimate, informational, expert, referent, reward, and coercive power (Raven, 1965). Three of its facets are probed in this study. Whether it is described as "participation power" (Farndale, 2005; Fried, 1989; Saunders & Saunders, 1985) or "legitimate power" (Sheehan & Cooper, 2011), involvement's primary goal is to position the department to advance its agenda in strategic decision-making. Control over information flows holds similar promise, having bolstered the power of various sub-units (Anituv & Carmi, 2007; Crawford, 1997; Setterstrom & Pearson, 2013). And there is mounting evidence it extends to HR. Lawler and Boudreau (2006) revealed that HR was more likely to be approached for board decisional-support when the department was utilizing information technologies. In the same way, HR's strategic participation was shown to be greater when it had an effective technology infrastructure (Uen et al, 2012). Finally, Fried (1989) speculated that expert power can afford an independent means of influencing decisions beyond an occupation's control over strategic contingencies. This comports with Sheehan et al.'s (2014) assertion that HR knowledge and expertise

[4] Bourgeois (1981) defined organizational slack as the cushion of resources enabling firms to successfully adapt to the pressures for change.

are meaningfully linked to power over resources. The same dynamics should apply to involvement outcomes given Jemison's (1981) finding that influence was predicted by expert power. Thus, it is proposed that:

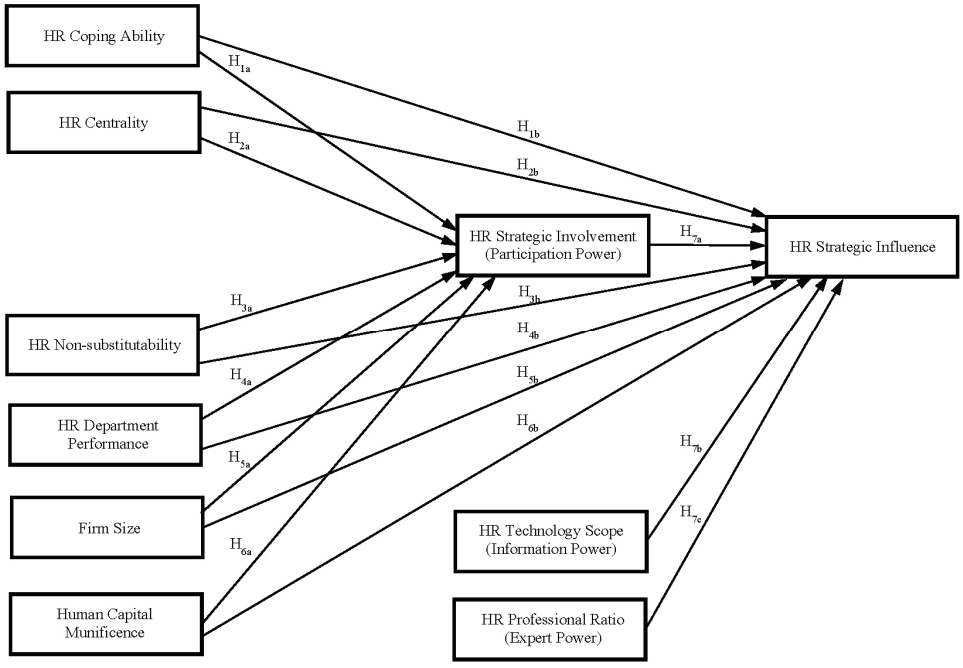
Hypothesis 7a: HR strategic involvement will positively impact strategic influence.

Hypothesis 7b: HR information power will positively impact strategic influence.

Hypothesis 7c: HR expert power will positively impact strategic influence.

The full reserach model appears in Figure 1.

Figure 1: Research model



Methods

Sample and procedure

Seven hundred and sixty-seven firms received invitations for this web-based survey using a three-stage communication protocol.[5] A "key informant" strategy (Kumar, Stern, & Anderson, 1993) led us to target senior HR executives as intended respond-

5 All encounters adhered to Dillman's (2000) tailored-design methodology. Contact information was obtained from the Society for Human Resource Management, International Association for Human Resource Information Management, and *Canadian HR Reporter*. A size threshold was set at 500 employees to maximize the probability that an HR department was present and formally represented at the senior-management level. In total, we contacted 523 U.S.-based firms and 244 from Canada.

ents. This approach has been used to probe wide-ranging processes with strategic connotations (e.g., Carr & Pearson, 1999; Morgan & Strong, 2003; Ritter & Gemünden, 2004; Schilke, 2014), particularly for the HR function (Boudreau & Lawler, 2009; Kelly & Gennard, 2001; Parry, 2011; Reichel & Lazarova, 2013; Woodall et al., 2009). Our 23 percent response rate (177 firms) compares favorably with those reported in this larger set of studies. Seeking to rule out the influence of nonresponse bias, we compared answers that were furnished by early versus late respondents (Ahituv & Carmi, 2007; Armstrong & Overton, 1977). No evidence of this problem was detected.

The risks of priming and item-embeddedness also were addressed. We started by listing predictor and criterion measures in a counterbalanced order across three distinct webpages; later-page access explicitly conditioned on completing the earlier pages. These measures were immersed in wide-ranging questions about HR technologies and their impact on staff. The invitation letter and website introduction further promoted psychological separation in their measurement by stating the goal of the study was to investigate the diffusion of HR technologies. Strict confidentiality was explicitly promised as well. Podsakoff, Mackenie, Lee and Podsakoff (2003) advocated the use of such tactics to counteract the influence of common method bias (CMB).

Table 1: Sample characteristics

Country	n	HR Staff Ratio	n
United States	94	≤ 1:100	64
Canada	56	1:100 – 2:100	57
Unspecified	27	> 2:100	25
		Unspecified	31
Industry			
Manufacturing	40	HR Professional Ratio	
Nonmanufacturing	116	≤ 25 %	54
Unspecified	21	26 – 50 %	33
		51 – 75 %	41
Size	n	≥ 76 %	20
< 1000	40	Unspecified	29
1001 - 2000	22		
2001 - 5000	34	Respondent Position	
5001 – 10,000	25	Top HR Executive	38
> 10,000	35	HR Senior Manager	39
Unspecified	23	HR Middle Manager	44
		HR Generalist/Specialist	14
		Unspecified	42

Key features of the sample are detailed in Table 1. Most firms were nonmanufacturers with sector affiliations that ranged from health care and transportation

to telecom- and financial-services. Variations in size were well represented with a median workforce level of 2,700 employees. Although HR staff ratios were highly divergent, the median number of staff members-per-100 FTEs — 1.12 for the U.S. and 1.27 for Canada — are consistent with the findings of national surveys (e.g., Bloomberg BNA, 2014; Deloitte, 2003; Dooney & Smith, 2005). HR professional ratios also are in line with the accessible benchmarks we found (EP-First, 2002; Saratoga Institute, 2004). Finally, while U.S. companies comprised most of the sample, approximately one-third identified as Canadian businesses. This was closely aligned with the invitee profile.

Perhaps most important from a research-design perspective, senior HR leaders were heavily represented in the pool of respondents. Forty-four percent of those who specified their position were either the senior-most HR executive or that person's direct report. Another 25 percent were a level below them.[6] These outcomes are consistent with a key-informant methodology. Treating our respondents as key informants has strong face validity. All were situated high enough to know the true inner workings of the HR department and the nature of its dealings with the rest of senior management. In addition, 87 percent had been with the employer for a minimum of three years — 40 percent over 10 years — suggesting they had a well-grounded understanding of the matters evaluated (cf. Huber & Power, 1985).

Measures

HR Coping Ability. HR's ability to cope with uncertainty was measured with four-items that were adapted from earlier studies (Tannenbaum & Dupuree-Bruno, 1994; Anderson & West, 1999). Our goal was to evaluate the extent to which HR departments were flexible, solution-oriented, and supporting needed changes. The scale contained such items as, "The HR department and its staff display flexibility and adaptability," and "The HR department is always moving toward the development of new answers." This framing resonates with Farndale and Hope-Hailey's (2009) definition of the construct, which emphasized the capacity to solve others' problems and furnish useful data. A seven-point Likert scale was used with responses that ranged from 'strongly disagree' to 'strongly agree.' Cronbach's alpha for this scale was .89.

HR Centrality. Centrality has been operationalized in various ways including the number of connections with internal units (Katrichis & Ryan, 1998), the types of disruptions that would stem from work stoppages (e.g., Merlo, 2011), and the relevance of activities to the organization's mission (Farndale & Hope-Hailey, 2009). These diverse perspectives speak fundamentally to the impact a function's primary areas of responsibility has on firm competitiveness. Building on Farndale and Hope-Hailey's approach, we developed a four-item scale that asked respondents to indicate how much their organization's competitiveness hinged on effectively managing the following

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6 Non-C-level actors who completed this survey had been instructed to do so by the senior-most person in HR. This strongly suggests that the delegating executive had either formally approved, or tacitly concurred with, all of information that was shared. Potential concerns about informant bias nevertheless prompted us to assess whether the ratings were affected by respondent position. No statistically significant differences were found.

human-capital issues: availability of qualified employees, cost of hiring qualified employees, cost of retaining qualified employees, and managing collective knowledge.[7] Answers could vary on a five-point scale from "no impact" to "extensive impact." Wright et al. (2001) adopted a similar strategy to assess the relative importance of HR functional activities in maintaining and improving competitive position.

This was the best-suited approach to measure centrality. Counting the number of connections with other departments would not generate variance since HR has regular interactions with every unit through recruitment, selection, payroll, and benefits. Inquiring about the immediacy or pervasiveness of workflow disruptions would be equally ineffective. Beyond real-time interfaces in service exchanges, HR makes embedded contributions through the systems and tools line managers are given to use. With a talent- and performance-management infrastructure already in place, there could be short-term continuity in organizational workflows even if all HR staff were abruptly terminated. It therefore made more sense to anchor assessments in the following human-capital aspects — talent cost, talent availability, and knowledge management. Cronbach's alpha for this measure was .78.

HR Non-substitutability. HR's ability to operate as a service-monopolist will be dictated by the barriers to performing its workload externally. This suggests that the more unique a firm's HR practices are — whether it is an outgrowth of strategy or the larger environment — the less vulnerable the department is to HR outsourcing. Klaas, McClendon and Gainey (2001) found this to be true for generalist activities, and it also may apply to less standardized payroll (Lever, 1997; Tremblay, Patry, & Lanoie, 2008). Accordingly, we utilized Klaas et al.'s (2001) 4-item idiosyncratic HR practices scale to operationalize this construct. A sample item was, "In this firm, you have to understand the history and culture before you can help solve HR problems." Responses could range from "strongly disagree" to "strongly agree". Cronbach's alpha for our sample was .70.

Department Performance. Respondents were asked to separately rate the overall satisfaction that managers and employees had expressed with service timeliness, accuracy, responsiveness, and cost. Answers once more could range from "strongly disagree" to "strongly agree" on a 7-point, Likert scale. Cronbach's alpha was high for both of these subgroups (.85 and .88, respectively). A single performance index was constructed by aggregating the scores across subgroups and dimensions and dividing that outcome by 4.

The source of these ratings was considered appropriate. To begin with, respondents were not asked to assess service-quality from an HR perspective. Instead, they were polled about the feedback received from two main constituencies in the aftermath of service consumption. A closer inspection of the ratings uncovered little evidence of positively skewed numbers, as a third to one-half of the set of responses re-

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7 Labor relations had been included; however, it was targeted for removal when Cronbach's alpha fell short of a .70 threshold (Nunnally, 1978). A closer inspection of the data supported this decision. Most respondents failed to rate labor unions as having even a moderate influence on competitiveness with little change in union strength over the past three years. The item accordingly was deleted.

flected non-positive scores. More importantly, Wright et al. (2001) found that line managers and HR executives displayed considerable agreement when rating HR's effectiveness across service categories (r=.89). Similar patterns are evident in Yusoff et al. (2009). None of this suggests there is an appreciable risk the ratings we obtained were not fundamentally reflective of the underlying settings.

Organizational and Environmental Factors. Firm Size was entered as the natural log of employment. *Human Capital Munificence* assessed the extent to which major changes had occurred in the firm's ability to attract and retain needed talent. Respondents were asked to rate how significantly the cost and availability of qualified talent had changed over the last three years. Five-point scales were used with answers that could range from "very negatively" to "very positively." Cronbach's alpha for this measure was .81. The decision to utilize a relative munificence measure rather than an absolute one is in line with Bourgeois' (1981, p. 37) reasoning for advocating a relative measure of organizational slack (i.e., that political and strategic behaviors are more likely to be reactions to the infusion or loss of slack in a system than to its current presence alone).

HR Power. Three distinct facets of power were measured. The first, participation power, was assessed with an *HR Strategic Involvement* index. Since every sampled firm formally included the top HR executive in strategic planning, we used Klaas et al.'s (2001) 2-item, strategic involvement scale as a point of differentiation. This scale distinguishes meaningful, from token, representation by asking whether HR was "involved in" and "helped to make" strategic business decisions. An argument also can be made that this wording better captures informal interactions which can independently facilitate strategic involvement (Creelman & Lambert, 2012; Kelly & Gennard, 2007; Sheehan, De Cieri, & Cooper, 2014; Wright et al., 1998). The 7-point, Likert scale contained "strongly disagree" to "strongly agree" response options, and had a Cronbach's alpha of .91.

Information power was documented with an index labelled *HR Technology* Scope. This measure counted the number of activities (i.e., recruitment, selection, career management, compensation administration, benefits administration, performance appraisal, training and development, and regulatory compliance) that were IT-assisted. On average, firms were supporting 2.4 HR activities with stand-alone software and 1.9 with integrated suites. These scores were combined to form an overarching indicator, the assumption being that there was complementarity, not redundancy, if common activities were designated. Ahituv and Carmi (2007) similarly equated the number of data-processing operations a subunit carried out with the information it produces. The more expansive and sophisticated the HRT infrastructure, the more likely it is that HR can generate and *regulate* critical human-capital data, thereby increasing dependency in other departments.

The *HR Professional Ratio* statistic (i.e., proportion of staff that professionals comprise) served as a proxy for expert power. As the percentage of professionals grows, HR increases its capacity to infuse advanced training, specialized knowledge, and professional norms into the generation and delivery of support it provides. Higher ratios have been interpreted to reflect a greater strategic thrust in HR services (Saratoga, 2004).

HR Influence. While multi-item scales are commonplace in marketing (e.g., Homburg et al., 1999; Merlo, 2011; Verhoef & Leeflang, 2009), we found no counterparts for HR influence. Drawing on earlier studies of strategic involvement (e.g., Farndale & Hope-Hailey, 2009; Kelly & Gennard, 2001; Lawler & Boudreau, 2009, 2012; Jacoby et al., 2005), we asked respondents to rate the degree of influence that HR had on such critical organizational decisions as new product development, entering new markets, major capital expenditures, strategic alliance partners, and the strategic direction of the firm. Answers could vary on a five-point scale from "no influence" to "extensive influence.

Exploratory factor analysis confirmed the unitary structure of these items. See Table 2. The dataset's suitability for factor analysis was evident given a Kaiser-Meyer-Olkin statistic of .74. Patterned relationships were present since Bartlett's test of sphericity was statistically significant ($\chi^2 = 258.90$, $df = 10$) and all diagonal values exceeded .50 in the anti-correlation matrix. The chosen extraction method was principal components analysis using Varimax with Kaiser Normalization as the rotation technique. A single-component solution was obtained that accounted for 55 percent of the total variance. The last step was to evaluate internal consistency, which supported the 5-item scale (Cronbach's $\alpha = .79$).

Table 2: Factor analysis results, HR strategic influence

Items	Component Loadings	Extraction Communalities
Choice of strategic alliance partners	.83	.68
Major capital expenditures	.78	.54
Expansion into new markets	.74	.50
Strategic direction of the firm	.70	.41
Development of new products and services	.64	
Extraction Sums of Squared Loadings	Total	2.74
	% of Variance	54.85
Kaiser-Meyer-Olkin measure of sampling adequacy		.74
Barlett's test of sphericity	Approx. Chi-Square	258.90
	df	10
	Sig.	.00

Extraction Method: Principal components analysis
Rotation Method: Varimax with Kaiser normalization

Results

Table 3 presents the sample means, standard deviations, and Pearson correlations. As expected, the following variables were directly related to HR strategic involvement (i.e., participation power): ability to cope with uncertainty; non-substitutability; department performance; and human capital munificence ($p < .01$). Significant correla-

tions also can be seen between HR strategic influence and coping ability, centrality, strategic involvement, and HR information power (i.e., technology scope). All of the signs were consistent with our hypothesized relationships. On balance, these findings lend credence to having both power theories in the model.

Other interesting relationships were uncovered as well. Size's inverse relationships with coping ability and performance ($p < .01$) were not surprising, as one would envision that it becomes more difficult to accommodate the demands of other departments — and to satisfy their expectations — in the face of a bigger workforce. It also makes sense that centrality and munificence had a negative correlation ($p < .01$); HR's perceived imprint on competitiveness being greater where it was harder to orchestrate a qualified workforce. Finally, HR information power tended to be greater in larger firms, and was positively associated with coping ability ($p < .05$). Both developments correspond with what would be anticipated.

IBM SPSS AMOS 22 (Arbuckle, 2013) was used for all of the analyses that follow.

Table 3: Pearson correlation matrix, main variables

Variable	Mean	S.D.	1	2	3	4	5	6	7	8	9	10
1. HR Coping Ability	5.34	.97	---									
2. HR Centrality	3.15	.73	-.06	---								
3. HR Non-substitutability	5.27	.89	.33**	-.20*	---							
4. HR Department Performance	9.47	2.38	.40**	-.15	.11	---						
5. Firm Size	8.04	1.41	-.24**	-.06	.01	-.21**	---					
6. Human Capital Munificence	2.80	.67	.10	-.40**	.08	-.17*	.02	---				
7. HR Strategic Involvement (Participation Power)	5.20	1.35	.38**	-.05	.28**	.24**	.09	.24**	---			
8. HR Technology Scope (Information Power)	4.35	4.02	.20*	-.09	.12	.11	.23**	.07	.22**	---		
9. HR Professional Ratio (Expert Power)	.44	.28	.02	-.12	.06	-.07	.20*	.27**	.06	.07	---	
10. HR Strategic Influence	2.82	.79	.27**	.16*	.06	.13	.02	.08	.61**	.21*	-.03	---

* $p < .05$ (2-tailed) ** $p < .01$ (2-tailed)

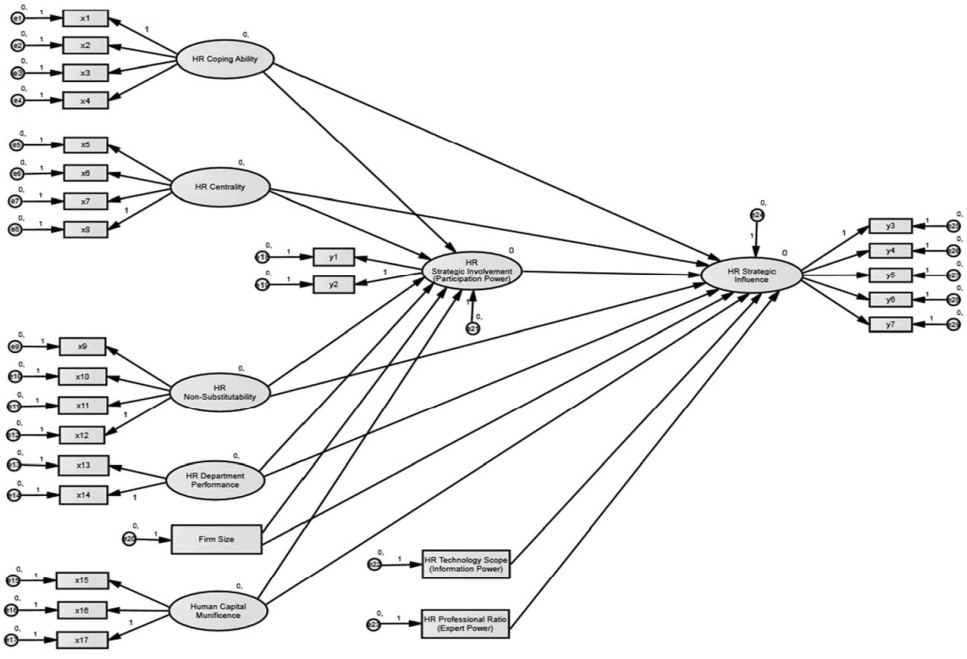
Measurement model and confirmatory factor analysis

The full measurement model appears in Figure 2. Fit was assessed with multiple criteria. Beyond the traditional chi-square statistic, fit was evaluated with the Normed Fitted Index (NFI), Tucker-Lewis Index (TLI) and Comparative Fit Index (CFI) as fol-

lows: good (≥ .95); acceptable (≥ .90 but < .95); or poor (< .90) (Hooper, Coughlan & Mullen, 2008). In tandem, Root-Mean-Square-Error of Approximation (RMSEA) values were classified as being indicative of good (≤ .06), acceptable (> .06 but ≤.08), mediocre (> .08 but ≤ .10) or poor (> .10) fit.

Confirmatory factor analysis indicated that a respecification would be needed given a consistent lack of fit (χ^2 (312) = 649.76, p < .00; NFI = .71; TLI = .78; CFI = .82; RMSEA = .08). Seeking a more parsimonious model, we deleted non-significant regression paths — weakest ones first — and reran the analysis.[8] The final reduced model is shown in Figure 3. There were major improvements in all of the indices, and cumulative evidence of acceptable fit (χ^2 (148) = 271.19, p < .00; NFI = .83; TLI = .90; CFI = .91; RMSEA = .07).

Figure 2: Full measurement model



Like Marler et al. (2009), we conducted a post hoc assessment of common method variance. A first-order factor was added to the model treating all survey items as indicators. Each of these pathway was equally weighted with the variances was set equal to 1. This modification yielded nearly identical regression coefficients.[9] The same held true for the fit indicators (see Table 4). This pattern of results suggests common method bias did not threaten our findings.

8 AMOS does not compute modification indices when missing values are present.

9 None of the coefficient difference-scores exceeded .07.

Figure 3: Final reduced model with standardized regression estimates

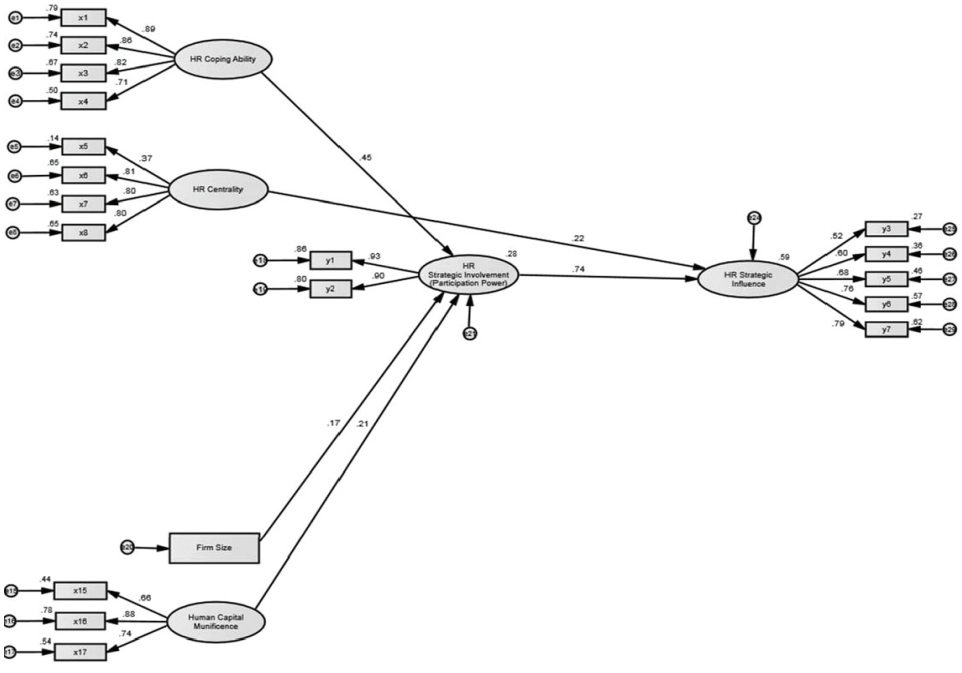


Table 4: Fit indices of the tested models

	Measurement Model		Final Reduced Model
	Original	With Common Latent Factor	
χ^2	649.76	642.63	271.19
df	*312*	*311*	*148*
Probability level	.00	.00	.00
NFI	.71	.71	.83
TLI	.78	.78	.90
CFI	.82	.82	.91
RMSEA	.08	.08	.07

Structural model

Our focus now turns to the variance explained and individual βs. As shown in Table 5, the reduced model yielded moderate-to-strong R^2 values for involvement (.28) and influence (.59). Half of the predictors of involvement are supported. HR coping ability was the lone SCT element with a positive and significant, standardized beta. This provided tangible support for hypothesis 1a. Since the nonsignificant pathways for HR

centrality and non-substitutability were deleted in the process of model refinement, hypotheses 2a and 3a are rejected. The same held true for department performance, calling for the rejection of hypothesis 4a. Support again becomes evident for hypotheses 5a and 6a, given the standardized betas for size and munificence.

Two major constructs were linked to influence: HR centrality and strategic involvement. The latter was by far the dominant predictor ($\beta = .74$, $p < .01$). Hypotheses 2b and 7a are accordingly supported. In contrast, the nonsignificant pathways for coping ability, non-substitutability, performance, size, munificence, information power, and expert power were dropped to establish a viable reduced model. See Figure 3. This necessitated rejections of hypotheses 1b, 3b, 4b, 5b, 6b, 7b, and 7c.

Table 5: Standardized estimates of the final reduced model

Parameters		Hypothesis Supported
HR Coping Ability → HR Strategic Involvement	.45**	H_{1a}
Firm Size → HR Strategic Involvement	.17*	H_{5a}
Human Resource Munificence → HR Strategic Involvement	.21**	H_{6a}
HR Centrality → HR Strategic Influence	.22**	H_{2b}
HR Strategic Involvement → HR Strategic Influence	.74**	H_{7a}
Explained Variance		
HR Strategic Involvement	.28	
HR Strategic Influence	.59	

* $p < .05$ (2-tailed) ** $p < .01$ (2-tailed)

Additional hypothesis testing

Our initial operationalization of non-substitutability attempted to capture HR's vulnerability to *external* sourcing. Threats also can arise from internal forces. For example, employee- and managerial self-service (ESS, MSS) apps empower individuals to execute activities that previously required HR's intervention. This decreases dependency on HR staff, and challenges their control over workplace information flows. Without a concurrent increase in transformational initiatives (and with them new dependencies) — an outcome that is neither guaranteed nor proven (Gardner, Lepak, & Bartol, 2003; Bondarouk & Ruël, 2013) — HR's control over services progressively diminishes as self-service areas expand. This suggests that the relative absence of self-service software is another gauge of non-substitutability. Accordingly, we replaced the nonsignificant uniqueness-of-HR-practices scale with a newly created *Self-Service Immunity* index then reran the model. Respondents provided the following information for self-service apps: presence; assimilation stage; and HR areas impacted. Consistent with Fichman and Kemerer's (1999) scaling, preliminary ESS and MSS base-values were set as follows: no plans to acquire (5); evaluation or trial use (4); purchased but not de-

ployed (3); limited deployment (2); and general deployment (1).[10] Limited- and general-deployment scores were further adjusted to reflect the range of HR areas where self-service was present. We did this by subtracting n/6 (for ESS) or n/4 (for MSS) — n equalling the number of areas where self-service was enacted. This approach recognizes that firms in the same assimilation stage can foster different levels of immunity when they vary in the number of self-service areas. In a similar way, there could be the same net-level of self-service immunity among companies that different in assimilation (e.g., limited deployment in multiple areas may present as much of a non-substitutability "threat" as general deployment in a single one). Both realities are addressed by our weightings. Final app scores were combined to obtain a single, organizational measure. The corresponding Cronbach's alpha was .80.

Faced with a measurement model that required respecification (χ^2 (241) = 493.33, $p < .00$; NFI = .75; TLI = .81; CFI = .85; RMSEA = .08), we deleted non-significant pathways, weakest ones first, producing the same reduced model that appeared in Figure 3. Non-substitutability was eliminated in the process once more. It thus failed to be a factor in involvement or influence regardless of the way we defined it.

We also examined the possibility that country may have a moderating influence on coping ability and centrality. Despite sharing the same HR-practice cluster (Sparrow, Schuler, & Jackson, 1994), the U.S. and Canada display notable differences in employment regulation (e.g., Block, Roberts, & Clarke, 2003; Botero, Djankov, La Porta, Lopez de Silanes, & Shleifer, 2003) and overall industrial structures (Begin, 1992). "Machine bureaucracies", which are preponderant in Canada, operate in a relatively stable and predictable economic environment. This creates a low need to adjust to changing conditions. In contrast, the U.S. industrial structure is largely populated with "adhocracies" that need to monitor, and successfully innovate in, a more complex and dynamic environment. Here, more of a premium should be placed on HR and other boundary-spanning groups being able to not only effectively identify impending uncertainties, but also to swiftly and proactively redress them. Intellectual-capital formation and preservation become linchpins for success, suggesting HRM will take on greater salience as a key to competitiveness.

Based on these points, we predicted that coping ability and centrality would be more strongly related to U.S involvement and influence. Moderated regressions were performed following Baron and Kenny's (1986) recommendation to use standardized values for all of the variables. Neither the moderators nor the interaction terms were statistically significant, failing to account for additional variance. This led us to rule out those country effects.

Discussion

The goal of this investigation was to extend our understanding of the factors that affect HR's involvement and influence in business organizations, particularly in a North American context. Two theoretical frameworks were tested. Strategic contingencies theory attributes departmental power and influence to coping ability, centrality and

[10] Limited deployment exists when a given app accomplishes no more than 25 percent of the work it pertains to; full deployment over 25 percent.

non-substitutability. Our findings confirm the predictive relevance of the first two factors. As expected, the ability to cope with uncertainty was a significant, positive predictor of HR's strategic involvement. While centrality did not impact involvement, it exhibited a positive relationship with strategic influence. Non-substitutability was positively correlated with HR involvement, but it failed to achieve significance in our SEM analyses. Overall, these results support the continued use of SCT when designing future models.

Institutional theory links resource exchanges and role definitions to embedded structures, routines, and pre-determined outcomes. Three such factors were probed in this study. The first two, size and munificence, were positively related to strategic involvement (i.e., participation power). Yet, the fact that neither affected strategic influence shows that the scope of people demands, and resource availability, does not guarantee deference to HR's input. Department performance was thought to be a proxy for pre-configured access and ability to influence (i.e., that departments with a proven track record of success were more likely to have secured channels for input and respect for their viewpoints). The failure to verify either of these relationships may be an artifact of our measurement approach. Upon reflection, the scale wording for our performance dimensions was sufficiently vague to allow respondents to only focus on *present* satisfaction with HR services, not the long-standing views that were held. To the extent this occurred, scores would not be indicative of reputational effectiveness and thus have little bearing on embedded assets. This is an adjustment that is recommended for future investigations.

While HR information power (i.e., technology scope) was positively related to strategic influence ($r = .21$, $p < .05$), it failed to be retained in the final reduced model. It should be noted that this was the last deleted pathway in the measurement model stage ($\beta = .08$, $p < .058$), being dropped to raise TLI by .02 so it could be added it to the list of acceptable-fit indicators. The remaining fit indexes were largely unaffected. Given a correct sign that was significant at the .10 level and a larger pattern of fit across measures, one could argue that it was unduly conservative to eliminate this variable. In this light, our findings instead coincide with earlier reports that boards were more inclined to seek input when HR wielded technology (Lawler & Boudreau, 2006), and that HRTs free up more staff time for strategic initiatives (Gainey & Klaas, 2009; Haines & Lafleur, 2008; Hussain, Wallace, & Cornelius, 2006). One also can speculate that the inability to tie our technology scale to HR influence more definitively may be partly attributable to its lack of focus. Rather than emphasizing the number of areas being generically supported, it may more appropriate to assess the breadth of enacted Decision Support System (DSS) capabilities (see Beckers & Bsat, 2002). Systems lacking higher-end DSS capabilities do not furnish tools for strategic-task execution, limiting the opportunities for high-end contributions. Measures reflecting these kinds of differences would shed more light on the strength of the relationship.

Other research refinements are strongly encouraged. First, both the range of nations studied and samples within them should be targeted for further expansion. In addition to increasing statistical power, we need to broaden the settings where HR is studied. Investigations to date have been Anglo-centric, constraining the cultural, institutional, and economic forces in play. Farndale (2005) noted that national context

affects the requirements and priorities assigned to HR, impacting the demand and specific areas to involve it strategically. Cross-border variations in marketing's influence have similarly been attributed to culture and regulation (Homburg et al., 1999). Mexico is an obvious target not only to complete an assessment of the North American context, but also to extend the analysis to emerging markets. Europe in general would be equally appealing since we know nothing of these relationships beyond the UK. Second, non-substitutability should be measured in a more direct fashion. Two prime candidates would be outsourcing levels (existing and planned) and the scope of HR devolvement (Reichel & Lazarova, 2013). Finally, ratings of HR's long-term performance or internal reputation should be directly gathered from managers and employees. While we remain confident about capturing their feedback to HR, it would be desirable to utilize unfiltered assessments.

The model's predictive capabilities may be further enhanced by a series of individual factors. CEO attitudes are one possibility. HR's prospects for involvement were observed to be greater when CEOs held favorable views about including the function and the aptitudes of HR staff (Brandl & Pohler, 2010). Personal adeptness at influencing may be another key variable. Enns and McFarlin (2003) identified a range of tactics available to executives, and found there were patterned differences in their usage by function. HR executives, in particular, used a wider range of tactics labelled "soft and indirect" (e.g., ingratiation, consultation, distributing articles to float new ideas). How well these are executed by a given HR leader may seriously impact department influence. HR-executive background is a third potential factor. Individuals with cross-functional experience or business training might be welcomed more readily as process contributors, or simply pursue these opportunities more aggressively. All should be examined in subsequent research.

There are additional implications for management practice. Centrality's positive contribution to influence should afford HR a strong incentive to sell the ongoing importance of human capital issues. As the firm's primary, labor-market boundary-spanners, practitioners must not only communicate the status of existing challenges, but also signal the emergence of opportunities and threats. This tact is recommended because workforce issues, no matter how salient, inevitably diminish in importance with the passage of time (Russ et al., 1998). While strategic involvement may not be immediately elevated, our results suggest that these actions are a pathway to future influence. Investments made here and in coping ability (e.g., building staff business and internal-consulting competencies) should be high-priority objectives.

As HR departments strive for greater involvement and influence in strategic processes, they must cultivate environments that foster their engagement. Doing so requires a keen understanding of the forces in play and the means to effectively leverage them. Yet, the strategies and vehicles that promote these outcomes remain frontier issues in our field. It is hoped that the pattern of findings reported in this study inspires more theory and research.

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