

# Is HR in a State of Transition? An International Comparative Study on the Development of HR Competencies

Barbara Covarrubias Venegas, Sabine Grobelschegg, Bernhard Klaus, Julia Domnanovich

**Abstract—Research Objectives:** The roles and activities of Human Resource Management (HRM) have changed a lot in the past years. Driven by a changing environment and therefore new business requirements, the scope of human resource (HR) activities has widened. The extent to which these activities should focus on strategic issues to support the long term success of a company has been discussed in science for many years. As many economies of Central and Eastern Europe (CEE) experienced a phase of transition after the socialist era and are now recovering from the 2008 global crisis it is needed to examine the current state of HR positioning. Furthermore a trend in HR work developing from rather administrative units to being strategic partners of management can be noticed. This leads to the question of better understanding the underlying competencies which are necessary to support organisations. This topic was addressed by the international study “HR Competencies in international comparison”. The quantitative survey was conducted by the Institute for Human Resources & Organisation of FH Wien University of Applied Science of WKW (A) in cooperation with partner universities in the countries Bosnia-Herzegovina, Croatia, Serbia and Slovenia. **Methodology:** Using the questionnaire developed by Dave Ulrich we tested whether the HR Competency model can be used for Austria, Bosnia and Herzegovina, Croatia, Serbia and Slovenia. After performing confirmatory and exploratory factor analysis for the whole data set containing all five countries we could clearly distinguish between four competencies. In a further step our analysis focused on median and average comparisons between the HR competency dimensions. **Conclusion:** Our literature review, in alignment with other studies, shows a relatively rapid pace of development of HR Roles and HR Competencies in BCSS in the past decades. Comparing data from BCSS and Austria we still can notice that regards strategic orientation there is a lack in BCSS countries, thus competencies are not as developed as in Austria. This leads us to the tentative conclusion that HR has undergone a rapid change but is still in a State of Transition from being a rather administrative unit to performing the role of a strategic partner.

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## I. THEORETICAL BACKGROUND

IN recent times, and in tandem with the internationalization process of many Austrian companies, a number of questions concerning HRM in the respective host countries have emerged.

Within this context, the scope of this long-term project is to explore the state of Human Resource Management (HRM) practices and HR competencies in Bosnia and Herzegovina, Croatia, Serbia and Slovenia (BCSS). These countries are characterized by a very recent development of HRM, which, in previous years, was thoroughly related to the federation and the state [1]-[3].

Former socialist countries, also referred to as transition economies, face the challenge of introducing adequate management systems and tools supporting their companies to compete on international markets. This transition highly depends on the success and speed of privatization and restructuring processes. Their ways of acting in a corporate context are changing to market orientation, customer orientation and contemporary management technologies and tools [3]. Most South-East European Countries, including the countries of the former Yugoslavia, hence could not develop an HR management function in terms of contemporary HRM theory and practice because decision making was closely related to the state or the party. This led to the fact that also key positions were monitored by the state bureaucracy. There are (slight) differences in the development of HRM practices in the countries of the former Yugoslavia due to different level of economic development and centralization [1].

Mainly, managers in transition economies first deal with financial problems, replacements of obsolete technology and the challenges that market orientation brings up. Thus, HRM and HR departments are rarely considered as a possible source of organisational competitiveness [4]. Although strategic HRM still seems to remain in a remote position, MNCs in these countries remain of primary importance for the development of industrial relations and the development of HRM [5]. In particular, it has to be outlined that the line manager's involvement in decentralized HR activities might require specific skills and competencies [6].

### A. HR Performance and Competency Modelling

The last three decades brought many developments and changes which influenced HR processes and tasks around the globe [7]. HR functions are examined on their efficiency and their ability to add value. Processes are downsized and the relationship between HR and other departments are restructured [8]-[10]. The traditional HR function as a specialised, autonomously operating business unit is more and more transformed into a comprehensive form which is working as a reliable partner. The purposes of these changes are mostly competitive advantages, improvement in efficiency and the pursuance of business strategies [8].

In the 80s and 90s a lot of HR role models were developed which aimed to describe this evolution of the HR roles [7]. One of the most cited one is the role model designed by Dave Ulrich [11]. But it is becoming clearer that these generic models contain many intrinsic weaknesses: The growing complexity of the HR function cannot be shown in an appropriate manner [12]. An empirical study by Caldwell [13] indicates that the HR role models enclose many ambiguities and conflicts and simplify the situation of HR professionals. While for example Ulrich's model is supposed to be universally practicable the reduction gives HR professionals few starting points to put it into practice [12].

To handle these simplifications competency models are a current way to meet complexity and change [7], [12]. In times of dynamic economy HR needs to have an orientation through competency based models which picture the current developments [14]. It is therefore essential to generate the competencies which are most needed to perform in an efficient way [14]-[16]. On the whole it has to be stated that the traditional notion of HRM has been highly influenced by scholars from the United States of America [17]-[19]. Therefore competency models as well are centred on the North American perspective. It can be assumed that the required competencies for HRM in the CEE region differ. This paper investigates through a factor analysis if the north-American HR Competency Model can be used in BCSS.

Considering the historical past of BCSS, the socialistic heritage definitely did not foster the development of HR practices, which are closely linked to a liberal market economy. Still, entering the market about 20 years ago made the need for professional HRM and HR related competencies a serious issue for companies. Therefore it is particularly interesting to investigate the specific occurrence of HR competencies in these countries. The theoretical model this quantitative research is based on is about HR competencies.

### B. HR Competencies According to Dave Ulrich

Dave Ulrich's study on HR Competencies includes data from more than 20,000 respondents from all over the world and shows the impact of HR competencies on business performance [20]-[23].

The HR competencies model mentioned in Fig. 1 defines the skills and knowledge that HR professionals should be able to establish: The strategic positioner is able to design HR strategies by understanding external influences and business

needs. The credible activist is known as a trustable, upright person with a sense for credibility. While the credible activist builds up personal relationships, the capability builder is responsible for caring about organisational strengths in order to determine its identity. The fourth role HR managers should be able to assume is the one of the change champion, who has the capacity to translate (external) force for change into concrete business actions. Human Resource innovators and integrators know how to transfer theoretical HR knowledge into sustainable business actions and, finally, the technology proponent leverages the reasonable use of technology to professionalize HR services and organisational information- and knowledge management [20]-[23].

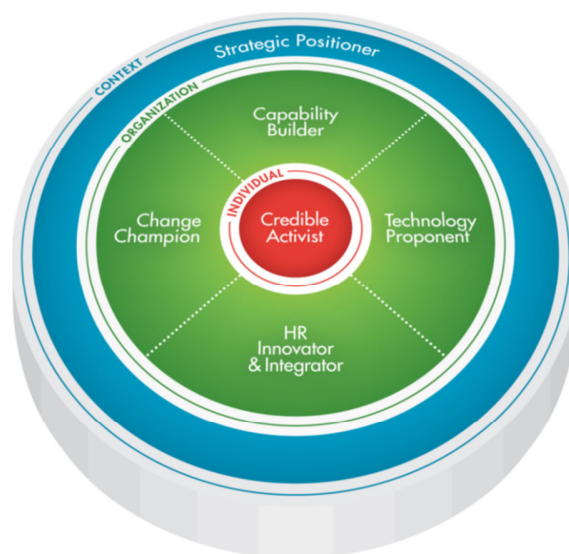


Fig. 1 HR Competencies according to Dave Ulrich [23]

The importance of gaining better knowledge about HR processes, practices and in particular HR competencies in BCSS might be explained and somehow justified by the market potential of those countries for Austria and the EU. The regional allocation of Austrian direct investments in foreign countries is continuously concentrated on Middle-and Eastern Europe. In many of these countries, Austria is one of the most important investors, within the top 5. In the four countries we examine in this project (Slovenia, Croatia, Bosnia and Herzegovina-and Serbia). Austria actually is the biggest investor. In relation to the national size of the Austrian investors, the market share held in those four countries lies between 20.3 and 49.1 percent of all investments in the specific country [24].

Research results provide evidence that companies with strong HR skills are more profitable and grow faster than others [25]. Furthermore HR is often described as one of the driving factors for sustainable business success [26]-[28].

Other studies indicate such a positive correlation between the degree of involvement of HR in the development and implementation of corporate strategy and company performance [29], [30]. More research results would provide evidence for even more effective business undertakings and

thus further development in these geographical areas. This need for further research can be seen as an occasion for our research project to provide an understanding of HR competencies and their effects in BCSS and further implications for organisations entering these markets.

## II. METHODOLOGY

The questionnaire designed by Ulrich and the RBL Group was used to see how Ulrich's [23] Model of HR competencies, which includes strategic positioner, credible activist, capability builder, change champion, HR innovator & integrator and technology proponent, fits for Austria, Bosnia and Herzegovina, Croatia, Serbia and Slovenia and whether any differences between the countries could be identified.

The questionnaire was translated into the national languages of the participating countries. After discussing the questionnaire with experts in the respective countries, some adaptations were included in order to provide high-quality results. The questionnaire eventually contained 60 items, of which seven to 13 corresponded to each of the six competencies. The participants were asked to rate themselves on a scale from 1 (very well) to 5 (very poor). In addition, further information on the HR professionals and their companies was requested to get a general idea about the differences between the countries.

### A. Sample

To get a good overview of the economic situation, first the top 500 companies were identified in each country. Relevant Email addresses of the HR departments were gained by direct phone calls. The link to the survey was sent to HR professionals, who were subsequently called directly to get a large amount of data. Overall, 381 answered questionnaires were returned, of which 151 were from Austria, 71 from Croatia, 62 from Serbia, 50 from Bosnia and Herzegovina and 47 from Slovenia. Missing values occurred mainly in questions related to some data obviously considered as sensitive, e.g. the company's revenues. When looking at the sample with a view to the Small Medium Enterprise definition (SME, small < 50 employees, medium < 250 employees) of the European Commission, 62% of our companies were large ones.

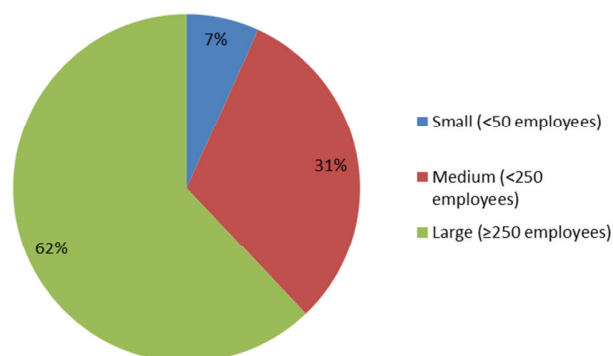


Fig. 2 Company Size

A restriction of this study is that only people who were working in the field of HR were asked about their competencies and we did not use a third perspective to rate the HR professionals; thus there seems to be a response bias towards rather good (=“low”) scores. Another restriction – as mentioned already above – is the number of missing values within the key company data.

### B. Data Analysis

First a confirmatory factor analysis was performed to see to what extent the six competencies of Ulrich's model fitted the items. One problem with this kind of method was that the assumption of multivariate normally distributed data was violated and even in a model with very few items, which had acceptable goodness of fit indices, this problem could not be solved. Therefore the results of the confirmatory factor analysis are not reported here.

The next step was to perform an exploratory factor analysis to see how many factors we could extract and how many items loaded on each factor. The principal axis factoring method was used to extract the factors due to the abnormality of our data. We also rotated the factors to get a better discrimination between them and to improve interpretation.

The confirmatory and exploratory factor analyses were calculated for the whole dataset containing all five countries.

In the second part of this study, the six competencies were aggregated out of our items and used together with the other business and structural HR data to give an overview of the situation of the HR in each country and compare the differences between them. Methods that were used in this part include simple statistics, correlation coefficients and, as the data are not normally distributed, nonparametric tests. The significance level for the tests is always 0.95.

### C. Results for the Exploratory Factor Analysis

With a KMO value of 0.937 and a significant Bartlett test, the factor analysis procedure seemed useful for our dataset. Models with 4 to 12 factors for our 57 items were derived.

The best interpretable model included 6 factors, which were compared with Ulrich's model of HR competencies. Three of our 60 items had to be removed because of cross loadings > 0.3. They were omitted one by one until an acceptable solution was found without any cross loadings. To get a better view of the factors, the Varimax rotation was used. Loadings smaller than 0.4 were not considered. In the end, 54 of our 60 items loaded at a single factor with a value of more than 0.4.

- Factor 1 contained 14 items. Eight of the 13 items associated with the HR innovator and integrator had loadings greater than 0.5. The other item would be associated with the capability builder.
- Factor 2 included ten items. It reflected the technology proponent competence with all nine of these items loading just on this factor. The remaining item would belong to the credibility builder. Six factors had loadings with more than 0.5 in this competence.
- Factor 3 contained seven items. This factor reflected the change champion as four of the seven items were

associated with this competence. The other three items would be associated with the credible activist but they had quite low values.

- Factor 4 contained six items which all corresponded to the strategic positioner. All but one item had loadings greater than 0.5.
- Factor 5 contained eight items reflecting the credible activist competence. Six items loaded with more than 0.5.
- Factor 6 contained just three items. They belonged to the capability builder and two items of the capability builder had values over 0.5.

The tables are sorted according to the value of the loadings. In the first column there are the variable numbers the items had in the questionnaire (See Appendix).

#### D. Discussion of the Factor Analysis

Generally, the data seem to go along with Ulrich's HR competencies model. 49 of our 60 items had loadings greater than 0.4, and almost two thirds of them had loadings even greater than 0.5. Especially the items associated with the HR innovator & integrator, the technology proponent, the strategic positioner and the credible activist separated well into the factors.

Four competencies can clearly be distinguished in our data. The other two competencies are not that easy to identify. The credible activist and the change champion seemed to be partly linked together, as factor 3, which is associated with the change champion, also includes some items that would be associated with the credible activist competence. An easy interpretation can be given for our variable 19, which reads "Takes appropriate risks". It is clear that you have to take some risks when you adapt to changes in your business situation.

The capability builder competence is quite weakly supported by our data. Only three out of the seven items loaded on the factor would have been associated with this competence.

Overall the competence model is quite well supported and so the aggregated means and other measures are used to look at differences between the countries.

### III. FINDINGS

As follows we present statistical data for each country separately regarding HR Competencies and then present an overall summary regards differences over the five countries we studied.

#### A. HR Competencies in Austria

This chapter presents the results from the Austrian data. Fig. 3 exhibits the mean and median values of the HR competencies. Values of the means especially of the credible activist and the strategic positioner are extremely low. The only category in which a significantly higher mean score is found is the technology proponent, which means that within this competence there is the most room for improvements. When looking at the standard deviations, the highest variation is also found for the technology proponent. Compared with Ulrich [23], it is interesting that the strategic positioner has the second lowest mean and median score in this dataset.

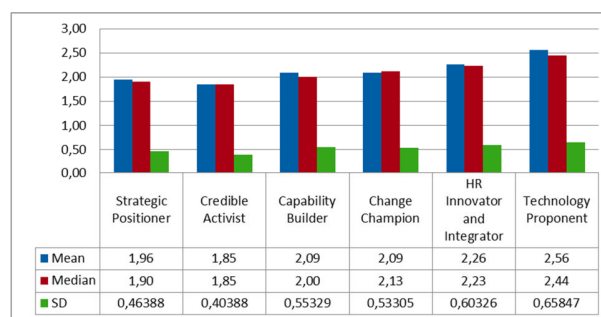


Fig. 3 Mean and Median Values of the HR competencies in Austria

The next step in the analysis was to calculate the correlation coefficients between the 6 competencies to see whether there were interdependencies. Table I exhibits the Pearson correlation coefficients. All of them are moderately correlated with the lowest coefficient of 0.399 between the strategic positioner and the technology proponent and the highest between the technology proponent and the HR innovator & integrator. This means that there is a relationship between the competencies, and that they are not independent of each other.

TABLE I  
CORRELATIONS BETWEEN THE HR COMPETENCIES IN AUSTRIA

N=126	Strategic Positioner	Credible Activist	Capability Builder	Change Champion	HR Innovator and Integrator	Technology Proponent
Strategic Positioner	1	0.524	0.576	0.553	0.402	0.399
Credible Activist		1	0.506	0.641	0.448	0.423
Capability Builder			1	0.506	0.598	0.536
Change Champion				1	0.588	0.570
HR Innovator and Integrator					1	0.661
Technology Proponent						1

#### B. HR Competencies in Bosnia and Herzegovina

This chapter focuses on Bosnia and Herzegovina. First of all the competences of the HR professionals are of interest. The values for the means are really low, even lower than the scores in Austria (Fig. 3). The strategic positioner and, not far behind, the change champion have the lowest (= best) mean

scores. The highest mean and standard deviation values are again found for the technology proponent. The median values yield the same results. These results of HR competencies in Bosnia and Herzegovina are shown in Fig. 4.

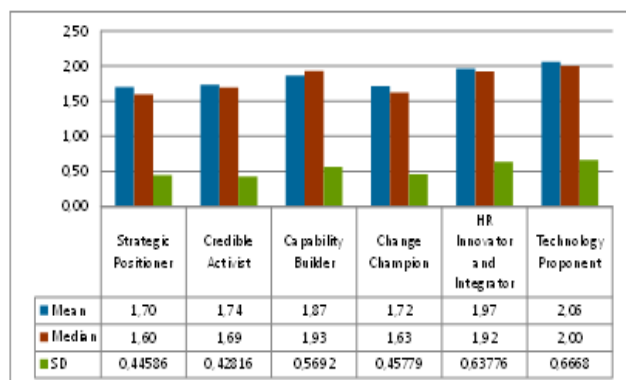


Fig. 4 Mean and Median Values of the HR

Most of the variables correlate from moderately to highly. The highest coefficient is found for the credible activist and the change champion, with a value of about 0.8, and also the capability builder and the HR innovator & integrator are highly correlated with a value of 0.794. Therefore, one could argue that these four competencies are just two competencies, a first one describing the credible activist and change champion, and another one joining the HR innovator & integrator and the credibility builder. The connection between the credible activist and the change champion was also mentioned in the exploratory factor analysis. The correlations between the competencies for Bosnia and Herzegovina are shown in Table II.

#### C. HR Competencies in Croatia

The credible activist has the lowest mean and median values. The strategic positioner and the change champion are at about the same level of 1.94. The highest (worst) mean is found for the technology proponent. This result is similar to

HR Competencies in Austria and it shows that the technology proponent is the competence that has to be strengthened. Fig. 5 shows the results of the HR competencies in Croatia.

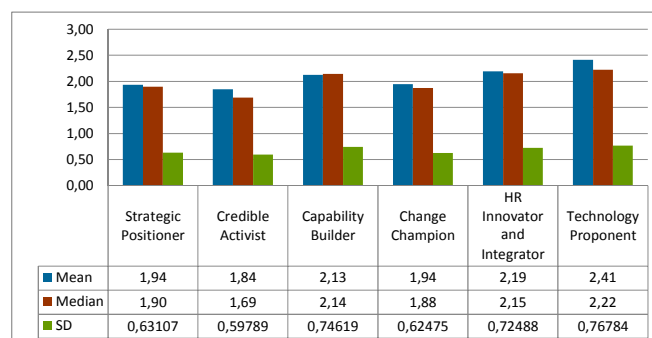


Fig. 5 Mean and Median Values of the HR competencies in Croatia

Nearly all competencies seem to be highly correlated. Out of the 15 correlations between the competencies, 13 are above 0.6. Only the technology proponent is not that highly correlated with the credible activist and the capability builder. Interpreting these values one can say that a participant who is good at a single competence also seems to be good at nearly all the others. The following table shows the correlations between the competencies in Croatia.

#### D. HR Competencies in Serbia

The Serbian data show the lowest mean and median scores with the competencies of the credible activist and the change champion. The technology proponent again has the highest values. The results of the basic statistical measures of the HR competencies in Serbia are shown in Fig. 6.

TABLE II  
CORRELATIONS BETWEEN THE HR COMPETENCIES IN BOSNIA AND HERZEGOVINA

N=34	Strategic Positioner	Credible Activist	Capability Builder	Change Champion	HR Innovator and Integrator	Technology Proponent
Strategic Positioner	1	0.460	0.452	0.412	0.558	0.417
Credible Activist		1	0.559	0.807	0.675	0.606
Capability Builder			1	0.425	0.794	0.593
Change Champion				1	0.651	0.482
HR Innovator and Integrator					1	0.607
Technology Proponent						1

TABLE III  
CORRELATIONS BETWEEN THE HR COMPETENCIES IN CROATIA

N=45	Strategic Positioner	Credible Activist	Capability Builder	Change Champion	HR Innovator and Integrator	Technology Proponent
Strategic Positioner	1	0.685	0.659	0.618	0.741	0.601
Credible Activist		1	0.763	0.669	0.699	0.486
Capability Builder			1	0.730	0.863	0.689
Change Champion				1	0.766	0.550
HR Innovator and Integrator					1	0.798
Technology Proponent						1

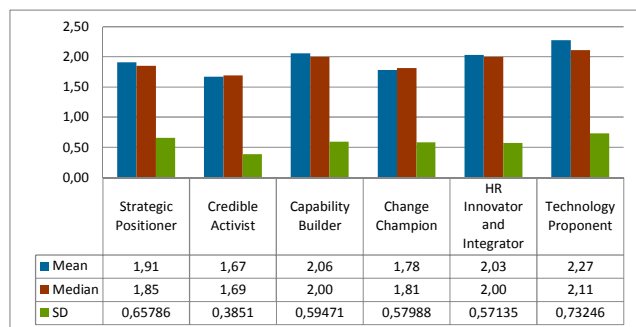


Fig. 6 Mean and Median Values of the HR competencies in Serbia

The correlations between the six factors, which are shown in Table IV, are quite low compared to the other countries. The only really high correlation is between the technology proponent and the strategic positioner. Values of above 0.6 are also found for the capability builder, the change champion, the HR innovator & integrator and the technology proponent. The interpretation of the low correlation is that there is no strong dependency between the competencies in Serbia.

#### E. HR Competencies in Slovenia

We found the lowest mean values in the Slovenian data set for the credible activist and the strategic positioner. The technology proponent has the highest mean value with about 2.64 and the highest standard deviation with 0.815.

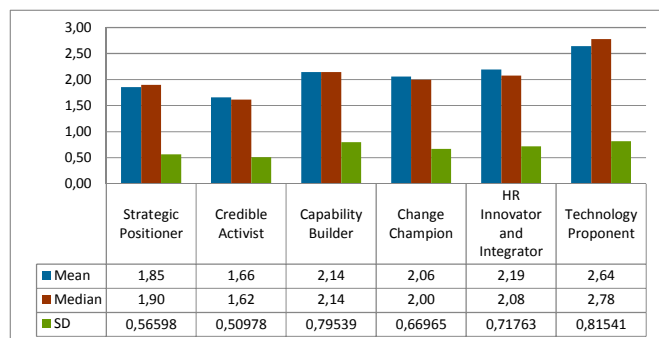


Fig. 7 Mean and Median Values of the HR Competencies in Slovenia

TABLE IV  
CORRELATIONS BETWEEN THE HR COMPETENCIES IN SERBIA

N=36	HR					
	Strategic Positioner	Credible Activist	Capability Builder	Change Champion	HR Innovator and Integrator	Technology Proponent
Strategic Positioner	1	0.224	0.454	0.544	0.325	0.731
Credible Activist		1	0.334	0.301	0.210	0.113
Capability Builder			1	0.636	0.605	0.668
Change Champion				1	0.597	0.526
HR Innovator and Integrator					1	0.580
Technology Proponent						1

The correlations between the six competencies shown in Table V are really high. Only the credible activist has

correlations, with the technology proponent and the change champion, that are smaller than 0.7. This indicates that the knowledge in each competence is highly interconnected in Slovenia.

TABLE V  
CORRELATIONS BETWEEN THE HR COMPETENCIES IN SLOVENIA

N=37	HR					
	Strategic Positioner	Credible Activist	Capability Builder	Change Champion	HR Innovator and Integrator	Technology Proponent
Strategic Positioner	1	0.823	0.815	0.841	0.828	0.748
Credible Activist		1	0.708	0.657	0.741	0.589
Capability Builder			1	0.855	0.804	0.818
Change Champion				1	0.773	0.772
HR Innovator and Integrator					1	0.813
Technology Proponent						1

#### IV. COMPARISON OF THE BCSS REGION AND AUSTRIA

##### A. Structural Data

The employee/HR ratio varies from 113 in Slovenia up to 286 in Serbia. This is probably due to the fact that in Serbia most of the participating companies are large ones. The share of women in HR departments is with nearly 47 percent quite low in Bosnia and Herzegovina and noticeably high in Croatia. One coherent assumption is that in Croatia more SMEs, where most of the time the (masculine) director of the company is also responsible for HR, were participating.

TABLE VI  
CHARACTERISTICS OF THE HR DATASET

		Austria	Bosnia and Herzegovina	Croatia	Serbia	Slovenia
Female		54.1	46.7	79	68	71.1
Company size	Small	5.4	22.7	1.4	5.3	5
	Medium	25.6	50	27.5	19.3	52.5
	Large	69	27.3	71	75.4	42.5
Revenues per Company	mean	291	31	103	30	50
Employees per Company	mean	1997	227	928	785	363
Employees/HR		150	146	286	173	113

The percentage of females in HR is really high in Croatia, Serbia and Slovenia. In Austria and Bosnia and Herzegovina the ratio between males and females is quite even. An age gap was found for all countries. The smallest age gap in the means was found for Serbia with 2.5 years and the biggest was found for Croatia with 12 years. In Bosnia and Herzegovina, Serbia and Slovenia some of the competencies of the females were significantly lower than the males' competencies.

##### B. Differences between the HR Competencies – an Overall Comparison

The research objective of this project was to understand whether the HR competencies vary between the different

countries. For this purpose, a Kruskal-Wallis test and post-hoc tests were used. Regarding the change champion, significant differences could be identified between Austria and Bosnia and Herzegovina ( $p=0.000$  (two sided)), Austria and Serbia ( $p=0.000$  (two sided)) and Bosnia and Herzegovina and Slovenia ( $p=0.003$  (two sided)). As far as the credible activist and the HR innovator & integrator are concerned, Serbia shows significant lower medians than Austria ( $p=0.004$  (two sided) for both competencies). In the competence of the technology proponent, Bosnia and Herzegovina has significant lower median values than Austria ( $p=0.001$  (two sided)) and Slovenia ( $p=0.002$  (two sided)). Other significant differences could not be found in our data.

The correlations between the competencies are all in the middle range. The highest coefficient (.706) is found between the HR innovator & integrator and the capability builder. Furthermore, we tested whether we could find any differences between male and female HR professionals concerning the competencies. Females have significantly lower scores for the capability builder ( $p=0.000$  (two sided)), according to the Mann-Whitney-U test. A boxplot of the competencies per sex can be seen in Fig. 8.

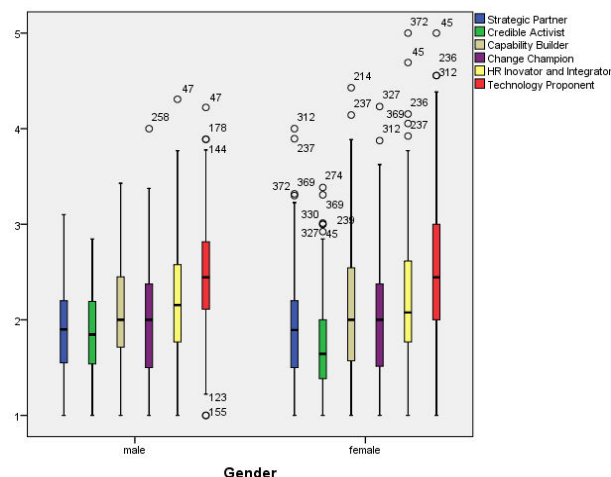


Fig. 8 Boxplot of HR Competencies between males and females (overall results, N=236)

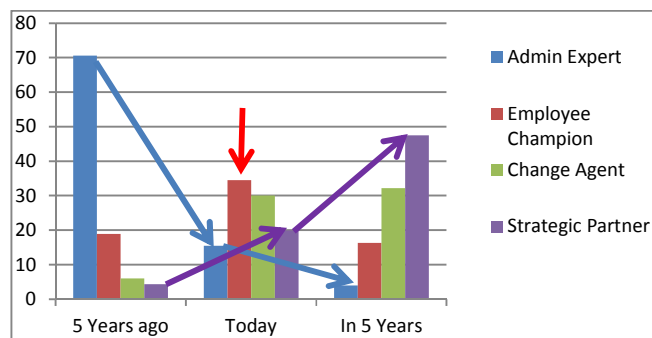


Fig. 9 Development of HR roles (overall results, N=236)

There may certainly be some differences between what HR people and corporate decision makers may find meaningful. Fig. 9 shows these results.

APPENDIX

TABLE VIII  
FACTOR 1: HR INNOVATOR & INTEGRATOR

ITEM	Factor Loading
(v41) Establishes standards or competencies for required talent	.726
(v42) Assesses key talent	.667
(v40) Builds a global talent management process	.623
(v39) Measures or tracks leadership development efforts	.588
(v50) Designs measurement systems that distinguish high-performing individuals from low-performing individuals	.573
(v49) Facilitates establishment of clear performance standards	.567
(v45) Designs meaningful developmental work experiences	.526
(v51) Deals with non-performance in a fair and timely way	.507
(v46) Facilitates the design of an organisational structure	.499
(v44) Designs and delivers training programs	.478
(v47) Knows how to form and influence teams	.458
(v43) Manages and optimizes workforce diversity	.425
(v27) Crafts a culture that integrates global standards with local conditions	.421
(v48) Uses business metrics to guide HR decisions	.416

C. Development of HR Roles – an Overall Comparison

The HR professionals were asked how the HR roles [31] have changed in the last five years and how they will develop in the future. The administrative expert was the most important role 5 years ago and its importance has decreased until today. Today the focus is on the employee champion. In the future, the focus will be on the strategic roles, which are the strategic partner and the change agent. These trends have been identified by people in charge of HR in companies, as in the study by Ulrich. Here again, further research should integrate different perspectives within companies, in order to see to what extent these trends are really consensual. Such studies would allow dissipating the possible bias obtained by asking persons about the developments of their own area of responsibility and about their own role in companies.

TABLE IX  
FACTOR 2: TECHNOLOGY PROPONENT

ITEM		Factor Loading
(v55)	Provides alternative/flexible policies to motivate different generations of employees	.622
(v56)	Formulates a comprehensive communication strategy	.581
(v57)	Coordinates social media policy and practices	.581
(v58)	Uses technology to facilitate a remote and mobile workforce	.542
(v53)	Designs appropriate benefits systems	.508
(v52)	Designs non-financial reward/recognition systems	.500
(v60)	Leverages technology for HR processes (HRIS)	.477
(v54)	Manages health care costs	.464
(v59)	Removes low value-adding or bureaucratic work	.444
(v25)	Measures the influence of culture on achieving a sustained business performance	.404

TABLE X  
FACTOR 3: CHANGE CHAMPION

ITEM		Factor Loading
(v38)	Adapts training about change to new settings	.756
(v36)	Helps sustain change	.690
(v37)	Monitors and communicates progress of change processes	.627
(v33)	Helps set the direction of change with clear outcomes	.510
(v19)	Takes appropriate risks	.484
(v12)	Keeps a track record of results	.436
(v22)	Plays an active role in professional bodies and works towards strengthening the profession	.426

TABLE XI  
FACTOR 4: STRATEGIC POSITIONER

ITEM		Factor Loading
(v5)	Focus the culture on meeting the needs of external customers	.568
(v7)	Operations within your business	.552
(v3)	How your business makes money (e.g. who, where, how)	.528
(v2)	Competitor analysis	.518
(v4)	Expectations of external customers	.509
(v9)	Identify and help solve problems central to business strategy	.493

TABLE XII  
FACTOR 5: CREDIBLE ACTIVIST

ITEM		Factor Loading
(v16)	Shows a genuine interest in others	.662
(v17)	Acts with an appropriate balance of confidence and humility	.578
(v18)	Has an appropriate sense of humor at work	.537
(v14)	Has earned the trust of key internal stakeholders	.528
(v15)	Appropriately influences others	.521
(v13)	Demonstrates personal integrity and ethics	.513
(v20)	Seeks to learn from both successes and failures (e.g. is curious)	.433
(v23)	Invests in developing the HR function	.408

TABLE XIII  
FACTOR 6: CAPABILITY BUILDER

ITEM		Factor Loading
(v30)	Crafts a culture that gives people a positive identity from doing their work	.672
(v29)	Crafts a culture that helps employees find meaning and purpose in their work	.646
(v28)	Crafts a culture that encourages a work/life balance	.448

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