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Abstract

Despite the huge success of marketing certification to human resources (HR) professionals, does it benefit individuals, employers, and the field of HR? We know very little about whether certification has an impact on any important individual- and organizational-level outcomes. This article provides a brief history of HR certification and its purported benefits. Then we review the literature on perceptions of HR certification, including a survey we conducted with about 190 HR professionals. Finally, we present a multi-level model of hypothesized HR certification effects. In this conceptual framework, which unifies both micro and macro levels of analyses (i.e., individual, unit, organization, and profession), we derive 13 testable propositions to guide future research on the benefits of HR certification.

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The Benefits of Human Resource Certification:

A Critical Analysis and Multi-Level Framework for Research

Human resource (HR) certification has become something of a cottage industry spawning test preparation training classes and materials and even influencing undergraduate HR curricula (Sincoff & Owen, 2004). The largest certification for generalists in HR is sponsored by the Society for Human Resource Management (SHRM). As of August 2006, 83,842 HR professionals had obtained certification from SHRM (Human Resource Certification Institute [HRCI], 2007a). Certification is heavily promoted by SHRM through meetings, publications, and their website. It is a major source of revenue for the organization. The Human Resource Certification Institute (HRCI), which is the organizational affiliate of SHRM that administers certification exams, supplies SHRM with resources through its SHRM Foundation. The certification program is a financial success and HRCI donated \$1.5 million to the SHRM Foundation in 2006 and has donated more than \$11 million to the Foundation since its contributions began in 1992 (HRCI, 2007b). However, despite the huge success of marketing certification to HR professionals, what are they getting for their investment, and what do employers get by hiring certified HR professionals? How is the profession of HR affected by certification? What is the validity of certification for predicting important outcomes? The practice of HR is based on the science of industrial and organizational (I/O) psychology. Moreover, much of I/O psychology research and practice takes place within the context of the HR function (Cascio & Aguinis, 2005). Therefore, we as a profession need to be concerned about the capabilities of HR personnel. Accordingly, consistent with the goals of *Personnel Psychology*'s Scientist-Practitioner Forum (Hollenbeck & Smither, 1998), our article offers an “analysis and critique of emerging trends [i.e., HR certification] and their implications for

practice,” it “addresses a current problem or dilemma facing practitioners [what are the benefits of HR certification?],” which is “appropriately linked to or draws on conceptual/research literature” to “help other practitioners identify those trends that are merely fads versus those that offer real value to practitioners.”

The Proliferation of HR Certification Programs

Other HR certification programs exist, but typically are more specialized in nature. For example, WorldatWork sponsors four certifications focused on rewards and compensation specialties: the Certified Compensation Professional (CCP), the Certified Benefits Professional (CBP), the Global Remuneration Professional (GRP), and the Work-Life Certified Professional (WLCP). Over 14,500 HR professionals have earned these designations (WorldatWork, 2007). The International Foundation of Employee Benefit Plans (IFEBP) sponsors four certifications: the Certified Employee Benefit Specialist (CEBS), Compensation Management Specialist (CMS), Group Benefit Associate (GBA), and Retirement Plans Associate (RPA) (International Foundation of Employee Benefit Plans [IFEBP], 2007). Over 10,000 HR professionals have received certification from the IFEBP. The International Public Management Association for Human Resources (IPMA-HR) sponsors three certifications focused on HR in the public sector: the IPMA-Certified Professional (IPMA-CP), the IPMA-Certified Professional—Executive Level Category (IPMA-EC), and the IPMA Certified Specialist (IPMA-CS) (International Public Management Association for Human Resources [IPMA-HR], 2007). Over 800 HR professionals have received certification from IPMA-HR. In 2006, the American Society for Training and Development (ASTD) launched a new certification called the Certified Professional in Learning and Performance (CPLP) that focuses on training and development specialists (American Society for Training and Development [ASTD], 2007). There is a proliferation of certifications available

to HR professionals. Table 1 includes summary information on the popularity of various HR certification programs.

[Insert Table 1 about here]

Certification is one means by which individuals can signal to employers that they have the required competence to perform professional HR work. Certification implies that there is a standardized body of knowledge, and typically requires an experience component. It is a voluntarily obtained credential, and not required for practicing HR. It is not sanctioned by any government agency; instead it is promoted by various professional organizations, such as SHRM. Certification represents what some authors describe as “commercialized professionalism” (Gilmore & Williams, 2007). In contrast, licensure also implies that there is a standardized body of knowledge, and typically requires an experience component. However, licenses are required for practice. Furthermore, they are sanctioned by government bodies, and thus might be described as “legal professionalism.” While there is no current movement to license HR professionals, as described above, there are an increasing number of certifications available. Carter (2005) found that the number of HR certifications increased by 48% during the years 2000-2003. This was an element of a larger trend of increasing certifications, in part due to passage of the Educate America Act of 1994, which was designed to promote the development and adoption of a voluntary national system of skill standards and certifications.

Most professions require some form of certification (e.g., medicine, law, nursing, clinical psychology) (Plake, 1998). Furthermore, professional certifications are often highly visible and provide credibility to those who possess them. Some of the certifications widely recognized include: the CPA (Certified Public Accountant), CIW (Certified Internet Webmaster), CIA (Certified Internal Auditor), and CCRN (Certified Care Registered Nurse) (Aguinis, Michaelis,

& Jones, 2005). For professions that require licensing to practice, it is almost never feasible to undertake classical validity studies due to the fact that only persons who pass the licensure test and meet other licensing requirements are permitted to practice (Plake, 1998). However, the same is not true for certifications. For example, teacher certification programs have received much attention recently, and some researchers have questioned their efficacy in improving student achievement (e.g., Goldhaber & Brewer, 2000). A healthy debate has ensued (e.g., Hammond, Berry, & Thoreson, 2001) that has resulted in a call to ask questions about these issues so that research can be used to guide the development of sound public policy (Goldhaber & Brewer, 2001). We echo the same call for research that can be used to guide the development of sound policy regarding HR certification.

The certification of HR professionals is moving forward at a rapid pace. It is a big business with thousands of people involved. The intention behind certification is good—to improve the credibility of the HR profession as a whole and to ensure employers that HR professionals have the necessary knowledge, skills, abilities, and other requirements to perform the job. As with licensure, certification also may protect the public (organizations and employees) from unqualified HR employees who by incompetence or failure to adhere to professional standards may do harm. Certification may also limit the supply of available labor practicing HR, thereby increasing wages for the profession. However, if certification does not do what it is intended to do, it may end up doing more damage than good to the HR profession. Now is the time to pause and examine the issue of HR certification more carefully. Our goal is to begin to investigate the potential benefits of HR certification and to set a research agenda for the future. Our primary focus is on the certification program sponsored by SHRM, because it is the

largest, oldest, and most well established certification program for HR professionals; however, we expect that many of the issues we raise also apply to other HR certifications as well.

The remainder of this article is organized as follows. First, we provide a brief history of certification in the HR profession. Second, we describe the purported benefits of HR certification. Third, we review the existing literature on perceptions of HR certification; including a survey we conducted with about 190 HR professionals. Finally, we present a multi-level model of HR certification effects. In this conceptual framework, which unifies both individual and organizational level analyses, we derive 13 testable propositions to guide future research that would provide evidence regarding the value of HR certification for HR professionals, organizations, and the HR profession.

A Brief History of HR Certification

In the early twentieth century, consistent with the human relations point of view, organizations viewed HR administrators primarily as advocates for employees and as clerical staff (Kaufman, 2007). In addition, although they hired professionals in areas such as accounting and finance, organizations thought anyone could do the HR job. As a result, HR administrators were not always trained in the field, and were typically hired because they had employee relations skills (i.e., they were “good with people”).

However, a number of events prompted changes in the HR profession: the rising cost of labor, the focus on HR as a strategic partner, the legal changes in the environment, the increased use of technology, and the view that HR has an impact on firm performance (Dulebohn, Ferris, & Stodd, 1995). Given these changes, it is clear that organizations needed to hire HR professionals who were trained in the field. Thus, HR certification is an attempt to

show organizations the benefits of hiring trained HR professionals, and to move away from the personnel administrators who were primarily clerical staff or employee advocates in the past.

HR certification was discussed in 1948 during the formation of the first human resource professional organization called the American Society for Personnel Administration (ASPA—now called SHRM). Herbert Heneman, Jr. (Professor of Industrial Relations at the University of Minnesota) published an article titled “Qualifying the Professional Industrial Relations Worker,” which focused on the need for certifying personnel professionals based on a code of ethics and an objective measure of technical competence (HRCI, 2007c).

Early discussions about creating a certification program were tempered by a concern that people would equate certification with competency as opposed to knowledge. Interestingly, this concern seems to persist today as SHRM is reluctant to encourage employer use of certification as a hiring credential—perhaps to avoid legal liabilities due to its potential adverse impact. The following caveat is found at the SHRM website: “HRCI does not recommend that organizations or individuals incorporate PHR or SPHR certification as a condition of employment or advancement” (HRCI, 2007d, Purpose of HRCI certification, para. 2). (Note: Since HRCI is a SHRM affiliate, we will use SHRM throughout the remainder of the paper, where possible, for clarity.)

The actual task of developing a certification program began in 1975 with the incorporation of the ASPA Accreditation Institute (AAI) and the creation of six functional standards committees that defined the body of HR knowledge: (1) employment, placement, and planning; (2) training and development; (3) compensation and benefits; (4) health, safety, and security; (5) employee and labor relations; and (6) personnel research. Separate exams were created for each of the six areas. Two designations (each with two levels) were created to

distinguish between generalists and specialists: (1) Accredited Personnel Manager, and Accredited Executive in Personnel; and (2) Accredited Personnel Specialist, and Accredited Personnel Diplomate. To attract support and recognition from top-level HR managers at the time (AAI did not believe they would sit for an accreditation exam), exemptions were given based upon resumes and credentials. Those professionals who met the standards received accreditation without taking any exams, and the fees charged to them for their exemptions were invested to help get the program off the ground.

The AAI was renamed the Personnel Accreditation Institute (PAI) in 1979 to clarify role distinctions between it and ASPA. In the same year, they initiated their first codification study in which HR experts were asked to identify and catalog information that HR professionals should know. Similar codification studies were conducted in 1988, 1993, and 1997.

By 1988, it had become apparent to the PAI that most HR professionals wanted to take the generalist exam. Consequently, they discontinued the specialist designations. This resulted in two designations: the Professional in Human Resource (PHR), and the Senior Professional in Human Resources (SPHR) which remain to this day as the primary certifications in human resources. A year later, in 1989, the AAI was renamed the Human Resource Certification Institute (HRCI) to reflect the name change from personnel to human resources that was overtaking the profession. Its mission is the following: “The Human Resource Certification Institute develops and delivers credentialing programs to validate mastery in the field of human resource management and to promote organizational effectiveness” (HRCI, 2007e, HRCI’s mission and vision statements, para. 2). Its ambitious vision is that “Every HR professional will be credentialed by HRCI” (HRCI, 2007e, HRCI’s mission and vision statements, para. 1).

In 2004, SHRM began offering a Global Professional in Human Resources (GPHR) certification exam and designation to reflect a growing interest in the SHRM membership for global HR work and an international HR certification (McConnell, 2003). In 2007, SHRM launched a new state-specific certification for California (Gurchiek, 2006). According to HRCI Director Cornelia Springer, this new certification

validates that they have specific California knowledge. Everything pretty much has to do with compliance... We don't see this as just a certification for people in the state of California ... but for people who do business in California. If they do a lot of business in that state, they would need to know what the laws are (Gurchiek, 2006, p.1).

SHRM also is planning new certifications in the future (Leonard, 2006).

The growth in popularity of HR certification parallels the evolution of HR as a profession and probably reflects a need for those who do this work to separate themselves from negative connotations (e.g., "welfare secretaries") associated with HR in the twentieth century (Jacoby, 2004). Many HR professionals invest their time and money in preparing for and taking HR certification exams. But, what do they believe they are getting for their investment, and what do employers gain by having certified HR professionals?

Potential Benefits of HR Certification

Proponents of HR certification assert that there are many benefits to obtaining it. From an individual perspective, the potential benefits of HR certification include: mastery of the HR body of knowledge; public and personal recognition, currency, career advancement, pay incentives; and professional attitude (Wiley, 1995). From an organizational perspective, the potential benefits of HR certification include: (a) certified HR professionals are better performers than those who are not certified, (b) using HR certification as a selection criterion

increases the number of qualified HR professionals, and (c) consultants selected on the basis of certification provide better advice than those who do not have certification (Wiley, 1995).

Aguinis et al. (2005) proposed the use of signaling theory (Spence, 1973, 1974) as a conceptual framework to understand why employees may obtain an HR certification and why employers might use HR certification as a predictor in employee selection and assessment systems. Signaling theory proposes that it is expensive for organizations to thoroughly investigate the background of every individual who applies for a job to determine his or her skills and abilities. Consequently, organizations reduce costs by relying on credentials, or signals, for hiring decisions. They could assume, for example, that on average certified HR professionals are more productive than non-certified ones, and rather than testing all applicants to determine their individual capabilities, employers simply select from the pool of applicants who have an HR certification. If HR certification is a valid predictor of job performance, then the benefits of using this signal as a job requirement (i.e., increasing the odds of selecting high performing HR professionals) outweigh the costs (e.g., failing to hire a high performing HR professional who does not have the credential).

With a program that has been in existence for 30 years and certified more than 80,000 HR professionals, it is surprising that there is no empirical research that tests any of these potential benefits. Several explanations may account for this. There may be a concern on the part of the sponsoring organization that empirical research may show that—despite its popularity—HR certification has little or no impact on important measures of individual and organizational outcomes. Publication of such research could potentially reduce revenue generated by the program. Another explanation is that HR professionals seek certification solely for intrinsic reasons (e.g., personal satisfaction, sense of accomplishment, perceptions of self-worth) and

therefore there is no expectation that extrinsic outcomes (e.g., increases in pay, faster career advancement, enhanced reputation and respect) will be affected by obtaining it.

Regarding the latter intrinsic explanation for obtaining certification, Wiley (1995) asserted that:

Certification has a bleak future if the majority of people seek certification for symbolic reasons (i.e., to build self-esteem). Certification agencies are likely to have a bright future when people seek certification for more credible reasons, such as to demonstrate a mastery of the body of knowledge, to show distinctive competence, or to gain a salable or unique credential. People are willing to invest in themselves, and firms are willing to invest in employees (i.e., subsidize certification efforts) when they realize that their investments will add value and will have a positive impact on the bottom line. (p. 287)

Even SHRM seems to recognize the extrinsic value of their credentials. For example, emails advertising certification regularly sent to SHRM members proclaim that “These valuable, industry-recognized credentials can open doors to unlimited career opportunities and professional growth.”

A final type of potential benefit of certification is to enhance the reputation of the HR profession. Recent research on human resources reputation and effectiveness (Ferris et al., in press) suggests that reputation is a collectively agreed upon perception by others that exists in a vacuum of imperfect information. When others gather information regarding an individual (e.g., HR professional), an organization, or a profession (e.g., HR), reputation is relied upon to fill in the blanks. To successfully acquire a reputation, an individual, an organization, or a profession must stand out from others in the field. Furthermore, a good reputation increases an individual's,

an organization's, or a profession's power (i.e., ability to influence others; Fiol, O'Connor, & Aguinis, 2001).

HR certification implies that there are standards in the profession which must be met to practice HR competently. This serves two purposes. One, certification puts a stamp of approval on individuals in the profession who have obtained it and signify that they are competent and capable of performing HR duties effectively in any organization. As with a certified mechanic, a board certified physician, or a certified public accountant, it reassures the public that they are getting competent professional service. A conclusion from a 2005 SHRM Symposium on the Future of Strategic HR was that "not enough barriers were in place to prevent those professionals who were ill-prepared to practice HR from entering the field" and that "only the best and brightest new entrants with strong business and strategic skills should be given access to the HR field" (SHRM, 2005). Two, certification sends a signal to other professionals (e.g., accountants, engineers, etc.) within organizations that HR people are professionals, too.

As noted by several authors (e.g., Hammonds, 2005; Stewart & Martin, 1996; Stewart & Woods, 1996), the HR profession is often portrayed as getting little or no respect from other functions in organizations. Certification has the potential to change attitudes about the value-added contribution of the HR function.

Perceptions of HR Certification

Despite its growing popularity, surprisingly little is known about how HR professionals and employers perceive certification. In a 1992 article, Wiley reported survey data that suggests the following reasons (in order of most responses) HR professionals seek certification:

(1) professional accomplishment, (2) personal satisfaction, (3) test knowledge, (4) career advancement, and (5) peer recognition.

A Workforce survey conducted in 1998 found that (1) 56% of respondents had obtained one form of HR certification, (2) 67% said they believed HR certification gave them more credibility among corporate peers and other senior managers, and (3) 96% said their employers did not require certification in order to be hired (Sunoo, 1999).

While Rynes, Colbert, and Brown (2002) were not focusing their study on correlates of HR certification, they did discover some interesting findings. PHR certification was negatively related to job level and tenure. That is, study participants who had PHR certifications had lower job levels and less tenure compared to those who did not have PHR certification. SPHR certification was positively related to job level, tenure, education, and having an HR major, and negatively related to having a PHR certification. Thus, study participants with an SPHR had higher job levels, longer tenure, more education, and an HR major in comparison to those who did not have an SPHR.

A 2004 SHRM study found that (1) approximately 54% of respondents believed that to work in HR, one must have some type of recognized credentials; (2) 29% of respondents believed that to work in HR, one should have a professional certification from a certifying body or agency within one's country; (3) approximately 81% of respondents believed that to advance one's career in HR, one must have some type of recognized credentials; and (4) approximately 64% of respondents believed that to advance one's career in HR, one should have professional certification related to HR from a certifying body or agency within one's country (Claus & Collison, 2004).

Survey of HR Professionals' Perceptions of HR Certification

To further explore how HR professionals perceive HR certification, we conducted a survey at two large metropolitan chapters of SHRM.

Participants. There was a total of 189 participants at two locations—San Antonio, Texas, and Denver, Colorado. Fifty-five people responded to the survey in San Antonio (response rate of approximately 60%), and 134 responded in Denver (response rate of approximately 67%). Demographic statistics are provided in Table 2.

[Insert Table 2 about here]

We conducted a MANOVA to determine if there were any significant differences in the demographic characteristics between the two locations. Because this analysis yielded no significant differences, we combined the data for further analyses.

Procedure. A short questionnaire was administered at the monthly meetings of each SHRM chapter in the Spring of 2005. The questionnaire consisted of two parts: (1) a demographic section, and (2) nine items regarding HR professionals' perceptions of HR certification. Participation was voluntary.

Results. An analysis of the demographic characteristics alone provides some interesting insights into the growing phenomenon of HR professionals seeking certification. Slightly more than half of the respondents to this survey reported that they are certified. Of those that reported they are certified, the majority have a PHR (roughly one-third of those certified), while fewer have a SPHR, and even fewer have both certifications. The majority of respondents to this survey are responsible for both recruiting HR professionals and hiring them.

We found statistically significant differences between those with certification versus those who were not certified. In comparison to respondents who did not have certification, those with a PHR were on average younger (approximately 40 versus 44 years old; $p < .05$) and had on average fewer (approximately 11 versus 14; $p < .05$) years of experience in HR. In contrast,

those with an SPHR were on the average older (approximately 49 versus 41 years old; $p < .001$) and had more years of experience (approximately 19 versus 11; $p < .001$) in HR.

Respondents rated their level of agreement with nine statements assessing attitudes toward HR certification. When the responses of all participants (both certified and noncertified) are combined, the data suggest that most people are fairly neutral about their attitudes toward HR certification (see Table 3a). When the data are disaggregated into groups of certified and non-certified respondents, some differences emerge (see Table 3b). Statistically significant differences in responses between the certified and non-certified groups were found for five of the nine statements: (a) In general, human resource staff who have a PHR or SPHR designation are better performers than human resource staff without certification; (b) I prefer to hire certified HR professionals; (c) I require certification when hiring human resource professionals; (d) My preference or requirement for certification is stated explicitly in the advertisement or job posting; and (e) Certified applicants are better qualified than non-certified applicants, all other things being equal. Thus, it appears that in contrast with those who are not certified, those who have certification hold more favorable perceptions towards it as a hiring criterion.

[Insert Tables 3a-3b about here]

Because this study was conducted using a convenience sample, we cannot draw firm conclusions about how HR professionals, in general, view HR certification. Our sample is not representative of all HR employees, only those who are members of SHRM and attend their meetings. Clearly, more research is necessary to understand how both HR professionals and their employers perceive it.

Employer Perceptions of HR Certification

In the only published study of employer perceptions of HR certification, Aguinis et al.

(2005) examined job announcements to determine if employers either required or preferred HR certification for their HR positions. They content-analyzed 1,873 HR job announcements over a one week period on four internet job sites: Monster, Yahoo!HotJobs, CareerBuilder, and SHRM. They found that only about 4% of job announcements required or preferred HR certification. Demand for HR certification was slightly higher for (a) postings on SHRM's website, (b) job titles of HR Director and HR Generalist, (c) HR specialty areas of employee relations and general HR, (d) in the manufacturing and accommodation and food services industries, and (e) for jobs requiring more HR experience. Demand for HR certification was virtually nonexistent for (a) job titles of HR Administrator, HR Coordinator, HR Clerk, and HR Senior Analyst; (b) HR specialty areas of recruiting, administration, payroll, training, and HRIS; (c) in the transportation, warehousing, government, and retail industries; and (d) for jobs requiring little HR experience.

Summary of Previous Research on Perceptions of HR Certification

From the limited research to date results are mixed regarding how HR professionals and employers perceive HR certification. Certified HR professionals seem to be more positive about the benefits of certification, and yet employers seem reluctant to use certification as a screening criterion (at least in job advertisements). With the increasing popularity of the SHRM certification program as well as the proliferation of other similar certifications, it is time to determine (1) what certification measures and how well it does it; and (2) what difference having certification makes to individuals, to organizations, and to the HR profession.

A Multi-Level Framework of HR Certification Effects

HR certification has the potential to affect outcome variables at multiple levels. For example, if HR certification is a valid predictor of job performance, using it as a selection

criterion may improve individual-level job performance (i.e., the job performance of HR professionals). HR certification also may predict other individual-level outcomes such as career advancement and pay. Additionally, if organizations use HR certification as a selection criterion for HR professionals, then the performance of their HR departments should likewise be improved (i.e., more qualified HR professionals would result in better unit-level performance). Moreover, the reputation of the HR department within an organization should be enhanced by more competent human capital and better performance of the HR function. Recent advances in multi-level theory and methods in selection provide a foundation for developing a more comprehensive understanding of the impact of such predictors as HR certifications across organizational levels (cf. Ployhart, 2006).

Levels of analysis have long been recognized as important in human resource management and I/O psychology research. Distinctions are often made among the individual, group, and organizational effects of various constructs. However, while levels of analysis have been widely recognized, examining affects of constructs across levels is a more recent methodological advance (e.g., Kozlowski & Klein, 2000). And, while much cross-level research has been published recently, the staffing literature has been slow to adopt this perspective (e.g., Ployhart, 2006; Schneider, Smith, & Sipe, 2000). HR certification provides an opportunity to explore multi-level effects within a staffing context.

Multi-level theory describes processes for both contextual and emergent effects. Contextual effects are those that result from the top-down, from higher hierarchical levels to lower ones. In the case of HR certification, contextual effects would result from an organization's decision to use certification as a selection criterion for all HR professionals. Presumably, this choice of staffing practice would result in changes in the behavior/performance

of individual employees. Emergent effects are those that result from bottom-up, from lower hierarchical levels to higher ones. Emergent effects would result, for example, when a HR department that hires HR professionals on the basis of certification becomes, over time, composed primarily of highly qualified and competent employees. Emergent effects are particularly important in understanding how differences in knowledge, skills, abilities, and other individual characteristics (KSAOs) contribute to unit-level differences.

Two different types of emergent processes have been identified: composition models and compilation models (Kozlowski & Klein, 2000). Composition models propose that high similarity (or homogeneity) among lower level employees creates a distinct within-unit aggregate-level construct. On the other hand, compilation models propose that variability among lower level employees creates a unique higher level construct. HR certification is consistent with a composition model of emergence, in that higher similarity among HR professionals' qualifications and competencies in a department leads to a higher level of unit performance.

Figure 1 illustrates our proposed multi-level model of HR certification effects. The figure depicts three important elements: (a) time, (b) macro-level effects, and (c) micro-level effects.

[Insert Figure 1 about here]

First, the starting time begins with the implementation of the organizational staffing practice of using HR certification as a selection criterion. This staffing practice represents a contextual (top-down) effect on the organization's individual KSAOs because all potential HR professional employees will be recruited using the HR certification criterion. HR certification is used as a selection criterion because it measures human resource competence. Stated more formally,

Proposition 1: HR certification measures HR competence. Competence refers to “having requisite or adequate ability or qualities” (Merriam Webster, 2007). HR competence is

the extent to which individuals have the knowledge, skills, abilities, and other characteristics necessary to successfully perform current and future HR work (Ulrich, 1997). Thus, using HR certification in staffing decision-making will enhance HR competence.

HR competence is a broad concept which embodies all aspects of competence relevant to the HR occupation and not just those aspects of the various technical and task components, which are readily observable. Through the HR Competency Project, researchers at the University of Michigan first identified an HR competency model that consisted of five components: (a) business knowledge—understanding the company and industry; (b) HR delivery—ability to design and deliver basic and innovative HR practices; (c) HR technology—the application of technology to HR; (d) strategic contribution—culture management, fast change, strategic decision making, and market-driven connectivity; and (e) personal credibility—achieving results, building effective relationships, and communication skills (Ulrich, Brockbank, & Yeung, 1989; Ulrich, Brockbank, & Yeung, 1990; Ulrich, Brockbank, Yeung, & Lake, 1995; Ulrich & Yeung, 1989). This model was recently revised based upon a comprehensive international study (Grossman, 2007). The new HR competency model consists of six components: (a) credible activist—respected, admired, listened to, and offers a point of view, takes a position and challenges assumptions by delivering results with integrity, sharing information, building relationships of trust, and doing HR with an attitude (taking appropriate risks, providing candid observations, and influencing others), (b) cultural steward—recognizes, articulates, and helps shape a company's culture by facilitating change, crafting culture, valuing culture, and personalizing culture, (c) talent manager/organizational designer—masters theory, research, and practice in both talent management and organizational design by ensuring today's and

tomorrow's talent, developing talent, shaping the organization, fostering communication, and designing reward systems, (d) strategy architect—knows how to make the right change happen by sustaining strategic agility and engaging customers, (e) business ally—contributes to the success of the business by serving the value chain, interpreting the social context, articulating the value proposition, and leveraging business technology, and (f) operational executor—administers the day-to-day work of managing people inside an organization by implementing workplace policies and advancing HR technology.

The term competence usually defines successful performance of a certain task or activity or adequate knowledge of a certain domain of knowledge or skill (Shippmann et.al, 2000). Kochanski (1996) describes competencies as success factors in an employee's organization or profession—what distinguishes high performers from low performers. If HR certification is measuring HR competence, then indeed it makes sense to measure not just “mastery of the domestic HR body of knowledge,” as SHRM does with their certification, but demonstrated performance as well. Cardy and Selvarajan (2006) identified three characteristics of competencies: (1) they are observable behaviors, (2) the behavioral pattern is related to job performance, and (3) they can include traditional KSAOs, but they also go beyond these characteristics and include motivation or desire to perform. While SHRM measures work experience as a component of the certification process, it appears that they do not measure the quality of that experience (i.e., whether it resulted in successful outcomes or not). The above discussion leads to our second proposition:

Proposition 2: HR competence has both a knowledge component (mastery of a body of knowledge) and an application component (application of HR knowledge that results in successful performance).

In a recent study of HR professionals' beliefs about effective HR practices, Rynes et al. (2002) found that practitioners are somewhat more likely to agree with research findings when they are at higher organizational levels, have SPHR certification, and read the academic literature. Therefore, having an HR certification (particularly a SPHR), is related to knowledge of research-based HR practices. This leads to our next proposition.

Proposition 3: Certified HR professionals have more knowledge of research-based HR practices than do non-certified HR professionals.

Through the use of HR certification as a selection criterion, individuals' KSAOs will become increasingly similar within the HR unit over time and contribute to the macro-level HR department human capital (defined as the competencies of the HR department). It is based upon Schneider's attraction-selection-attrition (ASA) model (Schneider, 1987) which proposes that over time organizations become more homogeneous in their human capital due to processes that recruit, hire, and retain applicants with similar KSAOs. The process through which this homogeneity occurs is called human capital emergence. Human capital emergence is the multi-level process through which individual-level KSAOs—in this case HR certification—become HR department level human capital. This leads to our next proposition.

Proposition 4: Using HR certification as a selection criterion will create more homogeneity of KSAOs, thus contributing to the macro-level human capital of the HR department.

Certification also may enhance the reputation of the HR function in the eyes of other non-HR staff within organizations (Ferris et al., in press). By establishing standards and requiring demonstrated knowledge and job performance, other non-HR staff within organizations will be persuaded to view certified HR staff as professional peers (Sunoo, 1999). Non-HR staff will be

more likely to view the HR function as adding value if it is administered by certified HR professionals. Furthermore, a higher performing HR department that adds value to the organization will positively affect internal evaluations of the reputation of the HR department. This leads to our next propositions.

Proposition 5: A greater proportion of certified HR professionals in the HR function will lead to more favorable perceptions of the non-HR staff regarding the value-added contribution of the HR function in the organization.

Proposition 6: Higher performance of the HR function within the organization will lead to more favorable perceptions of the non-HR staff regarding the value-added contribution of the HR function in the organization.

HR unit human capital contributes to HR unit performance. HR units with higher levels of unit-level human capital are likely to outperform those HR units with lesser quality human capital. This is described as the human capital advantage. If HR certification measures HR competence, then it follows that an HR function with more certified HR professionals should outperform one with fewer (or no) certified HR professionals. This leads to our next proposition:

Proposition 7: A greater proportion of certified HR professionals in an HR unit will lead to higher unit-level performance.

However, there is also another means by which the performance of the HR unit is affected. This occurs through the better performance of individual HR professionals that collectively improves the effectiveness of the HR department. The most obvious inference that can be drawn from those holding an HR certification is that—at least in comparison to non-certified HR professionals—they should perform HR duties more effectively. They should have the knowledge and skills to design and implement effective HR practices in organizations.

Certification implies that those who are certified should demonstrate better job performance than those who are not certified. And, while the SHRM website does not recommend that organizations or individuals incorporate PHR or SPHR certification as a condition of employment or advancement, the current HRCI board chair, R. Gregory Green, seems to implicitly agree that HR certification is related to job performance. He was recently quoted saying, “Just as no one would consider hiring an accountant without a CPA designation, employers are seeing a similar value in the credentialing of HR professionals” (Meisinger, 2006: 15). This leads to our next propositions.

Proposition 8: Certified HR professionals perform better on the job than do non-certified HR professionals.

Proposition 9: Higher levels of individual HR job performance resulting from using HR certification as a selection criterion will collectively result in higher levels of HR unit performance.

In addition to job performance, other individual outcomes are affected at the individual level by HR professionals obtaining HR certification. In their study of internet-based job announcements, Aguinis et al. (2005) found that HR job vacancies for which HR certification is required or preferred were associated with higher salary levels as compared to HR job vacancies for which HR certification is not required or preferred. The mean salary for jobs requiring HR certification was approximately .5 standard deviations higher (approximately \$17,000/year) than for jobs not requiring HR certification. This leads to our next proposition.

Proposition 10: Certified HR professionals have higher salaries than non-certified HR professionals.

Besides higher salaries, some researchers have suggested that having HR certification should affect career advancement (Wiley, 1995). Employers will view certified HR professionals as more competent than non-certified HR professionals. This will affect both initial hiring decisions as well as promotion decisions. Thus, when employers make promotion decisions, certified HR professionals will have a competitive advantage over non-certified HR professionals. This leads to our next proposition.

Proposition 11: Certified HR professionals have a higher probability of being promoted than do non-certified HR professionals.

Obtaining an HR certification may also predict a person's commitment to the HR profession (Sincoff & Owen, 2004). As one HR professional with twenty years of experience stated: "Not having a designation doesn't suggest that someone working in the field is deficient in any way. Nor does being certified guarantee that the holder will find employment. But, I think it does demonstrate a basic level of competence. And even more important than that is what it says about the individual regarding his or her commitment to the profession and his or her desire to be recognized as a professional" (Canadian HR Reporter, 2006). The financial commitment alone can be substantial. The exam fees range from \$250-\$350 for the PHR, and from \$375-\$475 for the SPHR (HRCI, 2007f). Individuals preparing to take the exam may spend \$600-\$700 for a self-directed SHRM Learning System and hundreds of dollars more if they also take instructor-led preparation courses. This leads to our next proposition.

Proposition 12: Certified HR professionals are more committed to the HR profession than are non-certified HR professionals.

Finally, we hypothesize that HR certification will have a positive affect on the reputation of the HR profession. That is, positive HR department reputation has a positive affect on the

reputation of the HR profession, positive HR department performance has a positive affect on the reputation of the HR profession, positive individual level HR job performance has a positive affect on the reputation of the HR profession, and positive individual level outcomes have a positive affect on the reputation of the HR profession. This leads to our final proposition.

Proposition 13: HR certification has a positive affect on the reputation of the HR profession through HR department reputation, HR department performance, individual level HR job performance, and individual level outcomes.

Summary of predictions from multi-level model of HR certification effects

Hiring more competent HR professionals through the use of HR certification as a selection criterion should contribute to better HR department performance through the processes of human capital emergence and human capital advantage. This multi-level framework of HR certification allows researchers to hypothesize and test assumptions and potential benefits regarding HR certification at both micro and macro levels. By developing a theory of emergence, in this case a composition model, research can add to our understanding of the cross-level effects of using a selection criterion, such as HR certification. And, finally, using this multi-level approach provides an alternative means for demonstrating the utility of selecting HR professionals using HR certification as a selection criterion. This is in contrast to more traditional utility models which rely upon formula-based estimates of the aggregate sum of individual performance contributions.

Conclusion

HR certification has its roots in the efforts of early practitioners to establish HR as a profession. Especially during the latter half of the twentieth century, many who worked in HR felt as if their work did not receive its proper respect, and certification was viewed as one means

for rectifying that situation. Some critics continue to question the value of HR work (Hammonds, 2005; Stewart & Martin, 1996; Stewart & Woods, 1996), which has probably influenced the large number of HR professionals seeking certification in the last few years. Yet, while many HR professionals have embraced HR certification, there is virtually no research investigating its value—either to them, to their employers or to the HR profession. To begin, a more clear specification of the construct measured by HR certification needs to be established. We have proposed that that construct be defined as HR competence and we attempted to clarify that construct's meaning. Additionally, more attention needs to be paid to criterion-related validity. Just what does HR certification predict?

We have proposed a multi-level framework of HR certification effects. This framework asserts that HR certification has effects at both the micro level (by influencing individual level HR job performance and individual level outcomes) and at the macro level (by influencing HR department reputation and HR department performance). Both micro- and macro-level effects of HR certification ultimately influence the reputation of the HR profession. This framework provides a blueprint for research that answers the most important research questions regarding HR certification. Furthermore, research testing the propositions in our framework will provide the kind of evidence-based information that can inform individual HR professionals, employers, and professional organizations such as SHRM regarding the utility of HR certification.

Sadly, the juggernaut of the certification industry plows ahead without stopping to determine the value of its product. Clearly, HR certification has been a financial and marketing success for SHRM and other professional HR organizations. But, what value does it hold for HR professionals and their employers? We have used a theory-based approach to provide testable

propositions to guide future research. Until we have research-based evidence, certification will continue to be of questionable value at best, and marketing hype at worst.

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Table 1

Popularity of HR Certifications

Sponsoring Organization	Certifications Offered	Number Certified
Society for Human Resource Management	PHR, SPHR, GPHR	83,842
WorldatWork	CCP, CBP, GRP, WLCP	14,500
International Foundation of Employee Benefit Plans	CEBS, CMS, GBA, RPA	10,000
International Personnel Management Association	IPMA-HR, IPMA-EC, IPMA-CS	800
American Society for Training and Development	CPLP	New in 2006

Table 2
Demographic Characteristics of Survey Participants

Gender			
	Male		20%
	Female		80%
Age			
Mean	43.06		
SD	10.06		
Range	23-63		
Highest Level of Education Completed			
High	School	12%	
Undergraduate	Degree	51%	
Master's	Degree	37%	
Type of College Degree			
Business		43%	
Liberal	Arts	23%	
Other		22%	
Not	Applicable	12%	
College Major			
	Human Resource Management		20%
Psychology			8%
Managem	ent	15%	
Other		44%	
Not	Applicable	13%	
Job Title			
HR	Manager	24%	
HR	Specialist		9%
HR	Generalist		6%
HR	Consultant	10%	
VP/Director	of HR	22%	
Other		29%	
Years of Experience in HR			
Mean	12.95		
SD			8.19
Range	0-40		

Responsible for Recruiting HR Staff	
Yes	62%
No	38%
Responsible for Hiring HR Staff	
Yes	61%
No	39%
Certified	
Yes	53%
No	47%
Certified with PHR	
Yes	32%
No	68%
Certified with SPHR	
Yes	27%
No	73%

Note. $N = 189$.

Table 3a
Attitudes Toward HR Certification (All Respondents)

Item	N	Mean	SD
Positive impact on career progression?	187	3.12	1.823
Positive impact on compensation?	186	3.74	1.783
Certified HR staff are better performers than noncertified HR staff?	180	3.94	1.660
SPHR better than PHR?	177	4.34	1.682
Prefer to hire certified HR professionals?	171	3.39	1.719
Require certification for hiring HR professionals?	168	4.68	1.768
Certification is stated in advertisement?	166	3.63	1.952
Certified applicants are better than non-certified applicants?	177	3.78	1.778
My employer supports HR certification?	184	3.18	1.982

Note. Items were scaled 1=strongly agree to 7=strongly disagree

Table 3b
Attitudes Toward HR Certification (Certified vs. Noncertified)

Item	Is respondent certified?	N	Mean	SD	SEM
Positive impact on career progression?	Yes	100	2.89	1.831	.183
	No	87	3.39	1.787	.192
Positive impact on compensation?	Yes	99	3.78	1.759	.177
	No	87	3.69	1.819	.195
*Certified HR staff are better performers than noncertified HR staff?	Yes	94	3.50	1.591	.164
	No	86	4.43	1.605	.173
SPHR better performers than PHR?	Yes	93	4.17	1.742	.181
	No	84	4.52	1.602	.175
*Prefer to hire certified HR professionals?	Yes	89	2.79	1.563	.166
	No	82	4.04	1.651	.182
*Require certification for hiring HR professionals?	Yes	89	4.25	1.817	.193
	No	79	5.18	1.583	.178
*Certification is stated in advertisement?	Yes	89	3.08	1.848	.196
	No	77	4.27	1.882	.215
*Certified applicants are better than non-certified applicants?	Yes	94	3.39	1.845	.190
	No	83	4.22	1.601	.176
My employer supports HR certification?	Yes	98	2.93	2.001	.202
	No	86	3.47	1.932	.208

Note. Items were scaled 1=strongly agree to 7=strongly disagree

* = statistically significant differences, $p < .01$

Figure 1
A Multi-Level Framework of HR Certification Effects

