



**THE ROLE OF HUMAN RESOURCE MANAGEMENT IN CREATING  
COMPETITIVE ADVANTAGE FOR A SELECTED SOUTH AFRICAN STATE-  
OWNED ENTERPRISE**

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A thesis submitted in fulfilment of the requirements for the degree

**DOCTOR OF PHILOSOPHY IN MANAGEMENT SCIENCES:  
HUMAN RESOURCE MANAGEMENT**

**in the**

**Department of Human Resource Management  
Faculty of Management Sciences  
Durban University of Technology**

**MAY 2021**

Supervisor: Professor B.I Dlamini (PhD)

Co-supervisor: Dr L Zogli (PhD)

**The role of human resource management in creating competitive advantage  
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Doctor of Philosophy in Management Sciences specialising in

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MAY 2021

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## **ABSTRACT**

This study examined the role of Human Resource Management (HRM) in achieving organisational competitiveness in a selected South African State-Owned Enterprise (SOE). It also explored the challenges faced by the Human Resource Management function in achieving organisational competitiveness. The Dave Ulrich model of four Human Resource Management roles in building a competitive organisation was the basis of this study. The roles of HRM include strategic partner, change agent, administrative expert and employee champion (Grobler, Bothma, Brewster, Carey, Holland and Warnich 2012:5). The study proposes a framework for organisational competitiveness application by the Human Resource Management departments in state-owned enterprises (SOEs). The study used a qualitative approach, which allowed the researcher to make use of a case study in the state-owned enterprise. Data was collected through interviews and results were validated with a pilot test. A total of twenty-four respondents were interviewed in this study. The study used a purposive sampling technique for both HRM practitioners and departmental heads. Data was drawn from Human Resource Management practitioners and divisional heads in various sections such as finance, pyrometallurgy, auditing, communication, etc. in a selected South African state-owned enterprise. South African state-owned enterprises are less efficient as they experience high labour turnover, retrenchment, employee salary reductions and the inability to attract talent. Such factors initiated the impetus for this research. The findings of the research show that human resource management roles are not maximised at Mintek since HR professionals mainly focus on basic human resources activities. This is due largely to the slow response of the organisation to adopt new innovative HR approaches that provide competitive advantage, which seems to be common in most state-owned enterprises. The findings also show that some current HR roles at Mintek benefit the organisation somewhat. However, there are challenges preventing the organisation from fully obtaining a competitive advantage since it was shown that a lack of technology, out-dated policies and bureaucracy, amongst other challenges, prevail in the organisation. The study contributed a Human Resource Management framework that allows the HR professionals and management of Mintek to consider the use of electronic HRM and strategic partnerships in the organisation for competitive advantage. In addition,

consideration of internal HR strategies and external forces that may affect the organisation was proposed.

## DECLARATION

I hereby declare that the work presented in this thesis is my original work and has never been submitted to any other university. This work does not violate the rights and intellectual property of any individual as all sources are referenced appropriately.

Signed: ... *Muzah*.....

Date: ...30/04/2021.....

## **DEDICATION**

I dedicate this doctoral thesis to my wife and kids, Martha Muzanenhamo, Nokutenda Muzanenhamo, Anotida Muzanenhamo and Ryan Muzanenhamo (junior doctor). Your support and prayers made this possible. My mother Shupiko Chagwedera, your caring heart and prayers have made this possible. Live long my beloved mother.

## ACKNOWLEDGEMENT

I thank the Almighty Lord for fulfilling my wish of completing such a special doctoral thesis. I call it a special doctoral thesis because it came from you my Lord Jesus. I asked through prayers and You answered me. I achieved this because Your grace and mercy has been upon me.

My special wife and supporter Martha, I really thank you for the continuous support you provided in this study. I thank you for the words of encouragement and steadfast love. My gratitude extends to my two daughters Nokutenda and Anotida; and my son Ryan for the prayers.

I give earnest thanks to my mother, Shupiko Chagwendera for supporting my educational studies from pre-school level to university level. May God bless you and live long my mother. I reached this level of completing a doctoral thesis because of the love and support you provided in my entire life.

My special supervisors, Professor B.I Dlamini and Dr L Zogli, your overwhelming support in this study is greatly appreciated. It was a long journey and you never get tired to provide guidance in this study. This thesis was unattainable without your professional assistance.

My heartfelt gratitude goes to my ZCC Elder Mr Desire Mabhande, I remember your humble phone calls saying '*my shepherd, are you free today I have 3 people ready*'. That actually motivated me to work hard on this thesis as you were always on my side.

## **LIST OF ABBREVIATIONS**

CCMA	Commission for Conciliation, Mediation and Arbitration
CEO	Chief Executive Officer
COSATU	Congress of South African Trade Unions
CRS	Corporate Social Responsibility
E-HRM	Electronic Human Resource Management
FWA	Flexible Work Arrangements
GDP	Gross Domestic Product
GIS	Global Information System
HRD	Human Resource Development
HRIS	Human Resource Information System
HRM	Human Resource Management
IHRM	International Human Resource Management
RBV	Resource-Based View
SAA	South African Airways
SABC	South African Broadcasting Corporation
SABPP	South African Board for People Practice
SHRM	Strategic Human Resource Management
SMWT	Self-Managed Work Teams
SOE	State-Owned Enterprise
TM	Talent Management



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## CHAPTER 1

### BACKGROUND AND OVERVIEW

#### 1.1 INTRODUCTION

State Owned Enterprises (SOEs) in contemporary South Africa have become a subject of concern as they drew criticism around the country due to poor performance leading to financial losses caused by various factors. These include human resource aspects such as labour turnover, lack of skills, employee motivation and the 'brain drain'.

On 20 January 2020, the South African President, Cyril Ramaphosa stated that *"we must examine the institutional design that should continue to support SOEs and their developmental mandates and there should be greater and more effective attention of operational efficiency, integrity and functionality of our SOEs, and ensuring that people who are fit for purpose are appointed to various positions"* (Erasmus 2020). Over the past decade, South African SOEs and government agencies have battled to survive and provide efficient services to their stakeholders, resulting in government intervention through, amongst others, significant financial bailouts. In January 2020, the Department of Public Enterprises highlighted its determination to contribute to the Business Rescue process to minimise job losses and give birth to a rejuvenated South African Airways (SAA) that all South Africans could be proud of (Magubane 2020). According to Magubane (2019), in the month of July 2019, the South African National Treasury repeated its commitment to getting Eskom and other South African state-owned entities into shape, following sovereign credit ratings agency Fitch's decision to revise the economy's outlook from stable to negative. Fitch cited lower Gross Domestic Product (GDP) growth and increased spending on state-owned entities as a reason for the rating (Magubane 2019). This motivated the current study to analyse the role of the Human Resource Management (HRM) function in creating competitiveness in SOEs. Barney (1991) stated that it is the human resources, that provide a competitive advantage and that can sustain it, rather than the other organisational resources.

The study examined the role of Human Resource Management and its effectiveness in providing services. The challenges facing human resource management in state-owned enterprises were also examined to advocate a human resource management framework that provides SOEs with a competitive advantage.

## **1.2 BACKGROUND**

Ogunyomi and Bruning (2016) indicated that HRM positively affects organisational performance through the implementation of effective strategic Human Resource Management which seeks to reduce costs and increase efficiency in the organisation. This implies that Human Resource Management plays an important role in creating organisational competitiveness. In a competitive environment, organisations face two tasks: one is to create competitive advantage and the other is to sustain that competitive advantage over a period of time (Ko and Smith-Walter 2013). In the case of SOEs, there is the additional imperative of improving their performance in delivering services to the public. Mkhabela (2019) asserted that the strategic importance of South African SOEs has been overshadowed by inefficiency. Similarly, Omarjee (2019) stated that there is need to reform, reposition and revitalise SOEs to fulfil their role in driving economic growth and development.

Employees and how they are being managed in organisations are becoming an important source of competitive advantage (Al-rfou and Trawneh 2010). Thus, Human Resource Management can be an important source of competitive advantage as it ensures that employees are appropriately trained; skilled employees are hired; and employee retention strategies are implemented for organisational competitiveness. The South African Minister for Public Enterprises suggested the need to grant short-to medium-term financial support, which is supported by a change in management and the executive boards, as well as a review of the business strategy to change the outlook of state-owned enterprises (Magubane 2018). This shows that state-owned enterprises are facing human resource challenges, which need to be addressed in order to improve their competitiveness.

This study focuses on the examination of Human Resource Management roles in creating a competitive advantage for South African state-owned enterprises. There is a lack of critical skills, high staff turnover, unsustainable salary bills and retrenchments, which affect organisational performance (Ngqakamba 2018; Omarjee 2018). Moreover, South African SOEs generally experience significant financial management challenges. The South African Broadcasting Corporation's (SABC) Group Chief Executive Officer outlined the critical financial situation that the organisation faces. The SABC had a net loss of R622m for the 2017/ 2018 financial year and the Group CEO reported that one of the biggest cost drivers was the salary bill, which is not sustainable. This caused the enterprise to consider retrenchment in 2018 as a cost-cutting measure, which affected employees (Ngqakamba 2018). Similarly, Eybers (2017) reported that PetroSA, which is also a South African state-owned enterprise, began a process of laying off 15% of its employees in an attempt to maintain the operations of the struggling state oil company. Furthermore, the company's safety procedures are not up to standard, permanent positions are not being filled and as a result this led to low morale amongst employees. Due to poor organisational performance, the entity's revenue was 34% lower in the financial year 2016/2017 than in the previous financial year, while sales decreased by R3.4billion compared to the 2015/2016 financial year (Peyper 2017). Despite this poor performance, PetroSA's cost-cutting measures target engineers, who have critical scarce skills in the organisation (Eybers 2017). These are the much needed skills that provide organisational competitiveness in the petrol industry. The company's trade union, understandably and expectedly opposes this measure.

South African Airways (SAA) is also failing to survive in this current competitive environment. Khumalo (2018) asserted that the then Finance Minister Nhlanhla Nene announced the reduction of debt as one of the key elements required to turn SAA around, as the ailing national airline recorded a loss of R5, 67 billion for the year ended March 2017. However, the operating costs amounted to R7, 85 billion, against a R7.92 billion budget (Omarjee 2018). SAA has been cutting operating costs in order to stay in business, which worries the company's trade unions, as expressed by the Congress of South African Trade Unions (COSATU) that the cost-cutting measures at the

national carrier SAA could lead to job losses (Peyper 2017). This suggests that SAA is struggling to make profits for its survival and competitive advantage.

The SOE under study, Mintek, experienced a loss of skilled employees in 2014. The Mintek 2014 Annual Report stated that the category with the highest number of resignations was that of skilled technical, academically qualified, junior management and supervisors. The most cited reasons given in exit interviews were the quest for innovation, pursuit of further studies and a lack of career growth. Labour turnover in 2014 was 8.9% amongst the skilled technical, academically qualified, junior management and supervisors (Annual Report 2014:31).

It is apparent from the above context that there is poor performance in South African state-owned enterprises, which affects their competitiveness. Omarjee (2018) reported that the South African National Treasury proposed measures to improve the performance of state-owned enterprises, which includes appointing the right people to the right places in SOE structures. This confirms that there are human resources challenges in SOEs that need to be addressed because they affect organisational performance. Hence, this study examined the role of Human Resource Management in achieving organisational competitiveness for South African state-owned enterprises. The study was based on Dave Ulrich's model, which indicates that there are four quadrants in building a competitive organisation, namely strategic partner, change agent, administrative expert and employee champion (Grobler, Bothma, Brewster, Carey, Holland and Warnich 2012:5). This model assists Human Resource Management practitioners in becoming strategic business partners in the organisation, thereby ensuring that the market share together with revenues are increased and ultimately improve competitiveness (Nel, Werner, Botha, Du Plessis, Mey, Ngalo, Poisat and Van Hoek 2014:401).

### 1.3 PROBLEM STATEMENT

This study examines the Human Resource Management roles and challenges in achieving organisational competitiveness in a South African state-owned enterprise. It examined how Human Resource Management roles are adding value in state-owned companies. Belloc (2014) asserted that with a soft-budget constraint given to state-owned enterprises, managers are not much concerned about the financial position of a firm, and as a result they make reckless strategies even at the risk of grave losses. Belloc (2014) also iterated that state-owned enterprises are inefficient when compared to privately owned companies, which is supported by very well established literature.

South African state-owned enterprises experience problems such as unequal opportunity, unskilled labour, worker motivation, brain drain, unemployment and the human development index, which affect their competitiveness (Omarjee 2018). This is supported by Bloomberg's (2017) report that key state companies and agencies that play a pivotal role in driving the South African economy and distributing essential services are in disorder as there is a high turnover of staff and senior management, which is a threat to their financial viability. The executive members of South African Airways stated that there is lack of critical skills in the organisation, as well as no commercial skills or supply chain management skills, which puts South African Airways on a route to disaster. Moreover, it is difficult to attract top skills to South African Airways, which is the reason the enterprise has many employees in acting positions (Omarjee 2018). Therefore, Erasmus, Strydom and Rudansky-Kloppers (2017:330) iterated that, in the South African context, one of the crucial roles of the human resource manager is to improve the skills base of employees and to contribute to the profitability of the organisation. The Chief Executive Officer for the South African Broadcasting Corporation (SABC) also reported that the organisation had a net loss of R622million for the 2017/2018 financial year, with one of the biggest cost drivers being the salary bill, triggering possible retrenchments since the ratio of revenue to wage bill is not sustainable (Ngqakamba 2018).

Although the Human Resource practitioner in some companies does not have the final say in the compensation policy, the compensation policy must nevertheless be initiated by them (Erasmus, Strydom and Rudansky-Kloppers 2017:350). Furthermore, the Institute of Certified Bookkeepers (2015:195) explains that Human Resource Management plays a role in ensuring that the compensation program is tailored to the needs of an organisation and its employees. Mintek the organisation of study, although it experienced a steady number of staff resignation in the year 2013, the category that had the highest number of resignations was that of skilled technical, academically qualified, junior management and supervisors. This is the largest employment category at Mintek (Mintek 2014:32). However, Mintek (2014:32) annual report indicated staff turnover of 8.9% for the year 2013 in the skilled technical, academically qualified, junior management and supervisors. The main reason for resignation were the quest for innovation. This shows that Mintek is not well advanced in technology which is a drive for competitiveness. It is therefore imperative to seek to achieve organisational competitiveness through the Human Resource Management function in South African state-owned enterprises. The study will also examine the challenges facing Human Resource Management in achieving organisational competitiveness in South African state-owned enterprises. A Human Resource Management framework is also established in order to achieve organisational competitiveness in South African state-owned enterprises.

#### **1.4. AIM**

The research study aims to examine the role of Human Resource Management in achieving a competitive advantage for South African state-owned enterprises.

#### **1.5. OBJECTIVES**

To achieve the aim of the study, the following objectives were determined:

- To identify the Human Resource Management roles in the South African state-owned enterprise;

- To assess the effectiveness of Human Resource Management roles in improving organisational performance in the South African state-owned enterprise;
- To identify the organisational benefits acquired by South African state-owned enterprises from Human Resource Management roles;
- To examine the challenges faced by Human Resource Management practitioners in obtaining organisational competitiveness in the South African state-owned enterprise; and
- To establish a Human Resource Management framework that facilitates the achievement of a competitive advantage in South African state-owned enterprises.

## **1.6. SIGNIFICANCE**

Human Resource Management professionals play a pivotal role in creating competitive advantage in the private and public sectors. State-owned enterprises are experiencing human resources problems such as lack of skilled labour, employee motivation, brain drain and unemployment. This leads to poor performance of entities evidenced by poor administration, low profit generation and closure of companies as a result of the negative effects on their financial viability. Thus on 20 January 2020, South African President, Cyril Ramaphosa highlighted that there is need to appoint experienced and qualified boards and managers in SOEs (EWN 2020)

This study should assist the HR departments and the management of state-owned enterprises in South Africa to implement human resource strategies that enable them to attract key employees and retain talent. The findings will also help the state-owned enterprises' management to understand the strategic role of Human Resource Management in creating organisational competitiveness. The study will benefit institutions of higher learning to understand the HRM strategies that improve organisational effectiveness. The study contributes to the human resources and business management body of knowledge as it is an important original source of information that could initiate future research.

## **1.7. ORGANISATION**

Mintek is a state-owned enterprise which specialises in mineral processing and research. The organisation is located in Johannesburg, Randburg with a complement of 550 employees placed in technical divisions such as Advanced Minerals, Biotechnology, Hydrometallurgy, Pyrometallurgy, Mineral processing and Analytical services. It also comprises of support divisions such as HRM, Finance, Auditing, Public Relations and Health and Safety. The company was selected because of its proximity to the researcher. Permission to conduct research at Mintek was granted as shown in Annexure A.

## **1.8. STRUCTURE**

This thesis comprises of six chapters followed by the reference and appendices sections.

## **1.9. DEFINITION OF TERMS**

### **1.9.1 Human Resource Management**

According to Amos et al. (2016:9), HRM is the system of philosophies, policies, programs, practices and decisions that affect the attitudes, behaviour and performance of the people in an organisation so that they are satisfied and engaged, perform well and contribute to the organisation achieving its strategic objectives. The ICB (2015:3) posited that the HRM function comprises a group of unique activities such as carrying out a job analysis, drawing up a job description and carrying out a salary and wage survey to create a remuneration structure for an organisation.



### **1.9.2 Psychological contract**

Coetzee and Schreuder (2016:276) stated that a psychological contract is based on the reciprocal expectations and obligations of employers and employees.

### **1.9.3 Education**

According to Amos et al. (2016:407), Education is a process that provides knowledge, skills, the development of moral or ethical values, as well as the understanding required in the normal course of life, with a focus on developing people for the future.

### **1.9.4 Strategic management**

According to David and David (2017:33) “strategic management is the art and science of formulating, implementing and evaluating cross-functional decisions that enable an organisation to achieve its objectives”.

### **1.9.5 Competitive advantage**

David and David (2017:36) defined competitive advantage as any activity that a firm does especially well compared to activities done by rival firms, or any resource a firm possesses that rival firms desire.

### **1.9.6 Human Resource Development**

Human Resource Development is defined by Nadler and Nadler (1989) in Erasmus, Loedolff, Mda and Nel (2012:21) as a learning experience organised mainly by an employer, usually within a specific period of time, in order to bring about the possibility of performance improvement or personal growth

### **1.9.7 Performance Management**

Performance management is an approach to people management. According to Amos, Pearse, Ristow and Ristow (2016:355), it comprises a set of practices, tools and processes that managers use in planning, directing and improving employee performance in obtaining organisational objectives.

### **1.9.8 Corporate Social Responsibility**

Grobler et al. (2012:245) described Corporate Social Responsibility as the economic, legal, ethical and philanthropic responsibilities that enterprises have towards their stakeholders. Erasmus, Strydom and Rudansky-Kloppers (2016:149) asserted that corporate social responsibility involves company's responsibility due to the impact of its decisions and activities on society and the environment.

### **1.9.9 Strategic Human Resource Management**

Jackson, Schuler and Jiang (2014:4) defined strategic HRM scholarship as "the study of HRM systems and their interrelationships with other elements comprising an organisational system, including the organization's external and internal environments; the multiple players who enact HRM systems; and the multiple stakeholders who evaluate the organization's effectiveness and determine its long-term survival".

### **1.9.10 Electronic Human Resource Management**

Strohmeier (2007) in Marler and Fisher (2012) defined electronic human resource management (e-HRM) as the application of information technology for networking and supporting the interaction of at least two individual or collective actors in their shared performance of HR activities.

### **1.9.11 Coaching**

According to Meyer et al. (2016:426), coaching is regarded as an on-the-job training that uses work to provide planned opportunities for learning under the guidance of a line manager or an external third party such as a consultant or executive coach.

## **1.10 CONCLUSION**

This chapter introduced the topic under study and provides the background and overview to the research problem. It clearly stated the research objectives that were examined in a state-owned enterprise. Significance of the study was provided as this study seeks to assist state-owned enterprises and academics in creating competitive organisations. The organisation under study, Mintek, was described in terms of its population, location and composition of existing divisions.

## **CHAPTER 2**

### **THEORETICAL FRAMEWORK**

#### **2.1 INTRODUCTION**

Qehaja and Kutllovci (2015) posited that Human resources have always been critical to the success of an organisation and their importance has grown, a fact that is recognised from within and outside organisations. Van Eeden (2014: 54-55) stated that organisations are facing leadership challenges such as leading within increasing uncertainty and complexity; stepping outside the system; moving from valuing difference towards strategic inclusivity; and the exponential war for talent. Despite these challenges, the purpose of the Human Resource Management function is to ensure that the organisation is able to achieve success through people. Armstrong (2010) asserted that there is need for human resource policies to be incorporated with business planning and be used to strengthen an appropriate organisational culture; that employees are valuable and be regarded as a source of competitive advantage; that can be effectively used to promote organisational commitment; and which, as a consequence, provide willingness in employees to act flexibly for the benefit of the organisation. According to Peteraf (1993) cited in Lui, Horng, Chou, Huang and Chang (2018), competitive advantage refers to all competencies and resources of an organisation that are distinctive to its rivals, matching properly to the environmental opportunities, and this involves distinctive features such as technologies, quality products, special and rare skills, good company sales, distribution capabilities and best service delivery. But is it possible to create a competitive advantage without people? Certainly not, thus the well-known founder of modern management, Peter Drucker (1973) asserted that a business firm or any other institution has only one real resource, which is people. This study seeks to examine the role of Human Resources Management in creating competitive advantage in South African state owned enterprises (SOEs) as many authors acknowledged the value of people and their contribution in organisations.

The roles undertaken by human resources professionals are multiple. Thus Ulrich (1993) posited that human resource professionals need to fulfil roles that are

operational and strategic in nature; monitoring and partnering; and should take responsibility over company's short and long term goals that are both qualitative and quantitative. For human resource professionals to add value to their increasingly complex businesses, they must perform complex and even paradoxical roles (Ulrich 1997). According to Grobler, Bothma, Brewster, Carey, Holland and Warnich (2012:3). To be successful in the contemporary market, HR professionals should perform a number of activities, including:

- Integral, regular involvement with line managers in strategy formulation, and strategy implementation which lead to the design of HR strategies that support overall firm strategy,
- Improving their knowledge and understanding of the way work is executed,
- Highlighting the strategic role of human resources in cost reduction through administrative efficiency and maintaining high quality,
- Becoming a reliable employee representative when forwarding their concerns to management,
- Developing strategies and mechanisms to increase employees' contribution to the organisation and,
- Being an active agent for continuous transformation, shaping processes and culture to assist organisations in improving their capacity for change.

If these roles are well executed, the value of HR professionals will be more recognised as they provide competitive advantage to their organisations. The roles mentioned above are also depicted in the four quadrants of Dave Ulrich's model for competitive advantage, which was the basis of this study. The framework proposed as one of the outcomes of this study, describes the deliverables of four key roles that human resource professionals need to fulfil in order to make their business partnership a reality.

## 2.2 DAVE ULRICH MODEL OF COMPETITIVE ADVANTAGE

Dave Ulrich in his book *Employee Champions: Next Agenda for Adding Value and Delivering Results* (1997) postulated that to create value and deliver results, human resource professionals should not start by focusing on their activities or work of human resources but should first define the deliverables of their work. This model assists Human Resource Management practitioners in becoming strategic business partners in the organisation thereby ensuring that the market share together with revenues are increased and ultimately improving competitiveness (Nel, Werner, Botha, Du Plessis, Mey, Ngalo, Poisat and Van Hoek 2014:401).



*Source: Adapted from Ulrich (1997:24)*

**Figure 1: Human Resource Management roles in building a competitive organisation**

The two axes on the diagram above represent the human resource professional's focus and activities. Focus ranges from strategic which is long term to operational which is a short term. Dave Ulrich stated that human resource professionals should learn to be strategic and operational, focusing on short term and long term objectives of the organisation. Activities range from managing processes to the management of people. These two axes demarcate the four principal human resource management roles such as management of strategic human resources, management of firm infrastructure, management of the employee contribution and management of transformation and change.

In order to understand each of the roles identified above, three issues have to be considered such as the deliverables that constitute the outcome of the role, the characteristic metaphor that accompanies the role and the activities that must be performed by human resource professionals to fulfil their role.

### **2.2.1 Management of Strategic Human Resources.**

Marler and Parry (2016) asserted that in this strategic HRM conception, the term 'making HR more strategic' is derived from Ulrich's model of strategic HRM which suggests that in order for HR function to participate effectively in the strategic process, there is need for HR function to move away from an administrative expert to become a business partner which support the business strategic process. Strategic human resource management (SHRM) assumes that human resource management activities should be integrated with organisational strategic objectives and organisational context (Kramar 2014) and it also assumes that human resource management activities reinforce each other through alignment (Jackson and Seo 2010). Kramar (2014) also reiterated that SHRM explicitly linked people management policies and practices to the achievement of organisational outcomes and performance, most particularly financial and market outcomes. Accordingly, Dave Ulrich proposed that the deliverables from the management of strategic human resources is strategy execution. Human Resource Management practices help organisations to fulfil their objectives. Thus Warnich, Carrell, Elbert and Hatfield (2015:121) postulated that linking human

resource planning with the company planning process will facilitate the organisation's ability to successfully pursue a given number of strategic objectives and initiatives, and as a result creates a competitive advantage. In addition, the linkage would provide the human resource professionals with the feeling of being fully integrated with the company team. The metaphor for this role is that the strategic partner and HR professionals become strategic partners when they participate in the process of defining business strategy, when they ask questions that move strategy to action, and when they design HR practices that align with business strategy. The primary action of the strategic human resources manager is to translate business strategies into HR priorities. HR professionals should be able to identify HR practices that make the strategy happen and the process of identifying these HR priorities is called organisational diagnosis (Ulrich 1997).

### **2.2.2 Management of firm infrastructure.**

Management of firm infrastructure requires human resource practitioners to efficiently design and deliver HR processes for staffing, training, appraising, rewarding and promoting in an organisation. Firm infrastructure is created by constant examination and improvement of HR processes (Ulrich 1997). Parry (2016) asserted that in organisations where administrative expert role is dominant, there is limitation of goals that are directed to the creation of an efficient administrative infrastructure, which include tracking of job requisitions, management of employee payroll, employee benefits programs and employment equity compliance. In addition, Dave Ulrich proposed that the deliverable from the infrastructure role is administrative efficiency. HR professionals accomplish administrative efficiency by ensuring efficiency in HR processes and delivering administrative efficiency.

Cantarello, Filippini and Nosella (2012) posited that a firm cannot only be innovative by launching new products but also through delivering of innovative services and improvement of clients' satisfaction. Accordingly, human resource management is largely required to stimulate firm's innovation for competitive advantage (Arvanitis, Seliger and Stucki 2016). Ulrich (1997) asserted that, for human resource



professionals to be effective as administrative experts, there is need to perform activities that lead to the continual reengineering of the work processes they administer, and this has created a new HR organisational form called shared services which enables HR administrative services to be shared across company divisions.

### **2.2.3 Management of employee contribution**

The role of employee contribution for human resource professionals include their involvement in the day to day problems and employee needs and concerns. In organisations where intellectual capital becomes a critical source of the value of the firm, human resource professionals are needed to be active and aggressive in developing this capital. HR professionals thus become employee champions by linking employee contribution to organisational success. With active employee champions who understand the needs of the employees and ensuring that their needs are met, overall employee contribution usually goes up (Ulrich 1997). This requires HR professionals to effectively examine the motivation tools that improve employee commitment and contribution for the success of the organisation. Thus, Amos et al (2016) stated that the job of HR managers is to achieve the strategic objectives of the organisation by working with and through people. On the contrary, employees in organisations should be self-motivated and bear some responsibility for taking the initiative in realising the objectives of their entities, but unfortunately this is not always the case. It is therefore important for human resource professionals to shape employee motivations, so that they initiate, guide, and sustain the human behaviour in the direction of organisational goal attainment (Amos et al 2016).

The key deliverable from management of employee contribution is increased employee commitment. Dave Ulrich proposed that human resource practices should help employees to contribute through their commitment to perform good work as well as commitment to work diligently. Human resource executives can be business partners by continuing to be employee champions who pay attention to the needs of employees (Ulrich 1997).

Listening to employee concerns and effective allocation of resources that meet employees' changing demands, are the activities that involve management of employee contribution. Due to continuous changes in organisations, more demands are placed on employees and line managers who serve as employee champions need to provide the forums for employees to voice their opinions and feel empowered. This in turn, helps maintaining the psychological contract between the employee and the firm (Ulrich 1997). Large sections of the workforce are comprised of people who have never and are unlikely to ever experience unionisation during their working lives (Bryson and Gomez 2005 cited in Dundon and Gollan 2007). Trade union representation is no longer the dominant method used by employees to gain participation in organisational matters as there is a whole variety of techniques such as non-union councils, joint consultative committees and work teams (Dundon and Gollan 2007). However, allowing employees a voice in the workplace provides a means for the early identification and resolution of problems that could have a positive impact on quality and productivity. Hielscher, Beckmann and Pies (2014) argued that it is always individuals who are the source of value and legitimacy and if individuals see no grounds for consent, they could use their discretionary leeway to boycott a solution. Consequently, organisations are trending to organise themselves around teams as a way of benefitting from the capabilities of employees themselves to facilitate employee involvement in decision making (Amos, Pearse, Liezel, and Ristow (2016:309).

#### **2.2.4 Management of transformation and change**

Ulrich (1997) proposed a fourth key role, managing transformation and change, which human resource professionals use to add value to a firm. Transformation role requires human resource professionals to become both cultural guardians and cultural catalysts in company change processes. Thus human resource professionals help to identify and implement processes for change in organisations (Ulrich 1997). Previous research suggests that human resource professionals hold numerous roles in change efforts; including those of change agent and consultant (Baran, Filipkowski and Stockwell 2018). In support of these findings, Maheshwari and Vohra 2015 cited in Baran *et al* stated that the human resource function; its leaders, and human resource

practices in many organisations play an important role in organisational change. Specifically the HR function has the ability to implement specific practices that increase the favourability of employees' perceptions of and commitment to change.

The key deliverable from management of transformation and change is capacity for change. Ulrich (1997) argued that as firms undergo transformation or change processes, human resource professionals serve as business partners by helping employees eliminate old practices and adapt to a new culture of conducting business. As change agents, human resource executives assist organisations to identify a process for managing change through understanding of critical processes for change and building of commitment to change processes (Ulrich 1997). To meet changing needs, organisations have to reorganise periodically. Occasionally, management should consolidate the work of units to increase efficiencies, reduce duplication, improve the flow of work, or communications, take advantage of new technologies, and respond to changing consumer patterns. However, reorganisation can produce negative side effects. It can disrupt informal patterns of communication that are important for organisational functioning (Brody and Murali 2014:99-100), leading to employee resistance. This can be thwarted by change agents, as empirical findings suggest that transformative human resource practices promote employee adaptability (Bodla and Ningyu 2017) and that contextual factors related to human resources mitigate the negative relationships between employees' resistance to change and employee creativity (Hon, Bloom and Crant 2014).

The Dave Ulrich model comprises of four elements which are strategic partner role, administrative expert role, change agent role and employee champion role. However, organisations need to link functional goals with organisational objectives, be able to adapt to external changes and be able to manage employee welfare for competitive advantage. These new roles demonstrate a paradigm shift from the traditional human resource management which did not provide the link between HRM objectives and business objectives. Dave Ulrich proposed that if managers make use of these roles, they are able to effectively achieve competitive advantage which leads to the realisation of the organisation's profit. Understanding overall organisational objectives,

which is being strategic and being able to transform the organisation by responding to the internal and external demands, provide a firm with a competitive advantage as this encourages managers to be innovative. Effective management of employee well-being creates loyalty and innovative behaviour among employees which increases productivity and reduces labour turnover in the organisation, thereby creating organisational competitiveness.

## **2.3 RESOURCE BASED VIEW**

According to Barney (1991) a firm creates a competitive advantage when it is implementing a value-creating strategy that is not concurrently implemented by a competitor as well as the benefits of the strategy not being duplicate. According to Daft (1983) firms devise efficient and effective strategies using firm resources which comprise of all assets, capabilities, organisational processes, firm attributes, information and knowledge. Resource Based View is based on two assumptions; first, companies within an industry or group may be heterogeneous with respect to the strategic resources they control and secondly, these resources may not be perfectly mobile across the industry or group. If not so, companies would only achieve competitive advantage for a short period of time (Grobler et al 2014:36).

Barney (1991) provided the following four attributes that provide organisational competitiveness:

### **2.3.1 Valuable resources**

Barney (1991) posited that resources are valuable when they enable a firm to conceive of or implement strategies that improve its efficiency and effectiveness. However the traditional 'strength-weaknesses-opportunities-threat model' of firm performance suggests that firm's organisational performance can be improved only if a firm is able to exploit opportunities and neutralise threats in its environment. This was supported by Madhani (2009) purporting that resources provide value if they help firms in exploiting market opportunities or help in reducing market threats. There is no advantage of possessing a resource if it does not add or enhance value of the firm.

### **2.3.2 Rare resources**

Firm resources that are owned by a huge number of competing firms cannot sustain and obtain competitive advantage to the organisation. A firm can only enjoy a competitive advantage when implementing a value creating strategy that is not concurrently implemented by a large number of competitors (Barney 1991). If a particular valuable firm resource is possessed by a large number of firms, then each of these firms have the capacity to exploit that resource in the same way, thereby implementing a common strategy that gives no single firm a competitive advantage.

### **2.3.3 Imperfectly imitable resources**

Madhani (2009) asserted that imperfect imitability means making a copy or imitating the resources will not be feasible, and bottlenecks for imperfect imitability can be in various ways which include difficulties in obtaining resource, ambiguous relationship between capability and competitive advantage or complexity of resources. Similarly Barney (1991) posited that the resources of a firm can be imperfectly imitated if the firm's ability to obtain a resource is determined by various factors such as historical conditions that are unique, the link between firm resources and its sustained competitive advantage is causally ambiguous and the resource generating a firm's advantage is socially complex. Valuable and rare organisational resources can only sustain competitiveness if other competitors do not possess these resources.

### **2.3.4 Substitutability**

The last requirement for the resources of a firm to provide competitiveness is that there must not be imitated by other firms. A resource must not have substitutes if it is to be considered a sustained competitive advantage (Barney 1991). Wright and McMahan (1992) asserted that one could easily picture a firm that had the highest ability individuals who constituted a competitive advantage. However, if a firm develops a new technology that increases productivity and when other firms are able to imitate the new technology by purchasing it, the human resources would once again exist as a competitive advantage.

Resource Based View theory states that there are four elements which should exist in firms in order to enjoy competitive advantage. These attributes include rarity, imitability, substitutability and valuability. Barney provided that organisations should enjoy competitive advantage and be able to sustain it for a long time, however it is only human resources that enable firms to sustain competitive advantage as it is not easy to imitate and replace employee behaviour. All other company resources such as technology can be easily copied and replaced by any organisation which prevent competing firms from sustaining competitive advantage. Employee loyalty, skills, behaviours and experiences are of great importance for the success of the organisation as these attributes are within a person and cannot be transferred to another person, hence providing a competitive advantage to the organisation. However, such elements (employee skills, behaviours, attitudes) are also seen as means of achieving competitive advantage in cybernetic systems theory, behavioural theory and Becker's Human Capital theory.

## 2.4 DYNAMIC CAPABILITIES THEORY

According to Teece and Pisano (1994) “the term 'dynamic' is defined as the shifting character of the environment and 'capabilities' referred to as the key role of strategic management in appropriately adapting, integrating, and re-configuring internal and external organisational skills, resources, and functional competences toward changing environment”.

Teece and Pisano (1994) asserted that Dynamic Capabilities theory consists of three elements which form the strategic dimensions of the firm viz it's managerial and organisational processes, its present position, and the paths available to it. These three factors form the basis for determining Dynamic Capabilities. This explains the way organisation develop its own firm-specific competences that are able to meet external changes in the business environment (Teece and Pisano 1994). This is however acknowledging that employee skills and competencies that provide competitive advantage are created through human resource strategies such as carrier development. This is supported by Teece, Pisano and Shuen (1997) when posited that competitive advantage is attributed to organisations that react rapidly to product innovation, while at the same time being able to manage firm-specific capabilities for effective coordination and redeployment of internal and external competences. The Dynamic Capabilities theory expands on two fundamental issues such as the resource-based view; the first being the ability of a firm to renew competences for adaptation to the business environment and the secondly, being the ability of strategic management to use these competences to match the requirements of the environment (Teece et al 1997).

The Dynamic Capabilities theory recognises the organisational internal assets as elements that provide competitive advantage as provided by the Resource-Based View theory. However, the theory expands by providing that the external factors cannot be ignored in creating strategies for competitive advantage. It contends that only companies that are able to adapt to the external changes achieve competitive advantage and sustain it. Hence, it recognises both internal competencies and

external aspects of the organisation. Organisations that seek to attain competitive advantage should constantly do environmental scanning and recognise the adjustments that need to be done for survival, thus avoiding poor performance, labour turnover, and employee retrenchment. The environment is constantly changing and this encourages companies to embrace new systems such as technology for efficiency and quality improvement for competitive advantage. This however, calls for continuous employee training and development as described by Becker (1964) in his Human Capital theory that intangible assets such as employee skills helps to achieve organisational goals in a knowledge economy.

## **2.5 HUMAN CAPITAL THEORY**

According to Becker (1964) the traditional belief was that a firm's physical assets contribute to economic success. From a strategic management perspective, physical resources do not provide much advantage to the firm as they can be purchased and sold on the open market with ease (Rothaermel 2012). Mahoney and Kor (2015) posited that in a knowledge economy, it is the intangible abilities, employee skills and knowledge, routine systems and processes which contribute towards the knowledge capital of the organisation.

Human Capital theory suggests that there is an increase in productivity and earnings for individuals who invest in education and training (CIPD 2017). Becker (1993) posited that education increase earnings and productivity as it provides knowledge and problem solving skills. Moreover, Becker's ideas play an important role in contemporary employee development and learning as Human Capital theory fuel the idea that employees' knowledge and skills can be developed through investment in education or training, which is, learning (Hatch and Dyer 2004).

Becker (1993) proposed that employee knowledge is more vital than any other tangible asset in an organisation. This view creates the need for employee training and development in organisations as the theory demonstrates that investing in human



capital improves productivity in an organisation. An educated or trained employee can be efficient in task execution and be effective in decision making which helps the organisation to achieve its intended goals and objectives. Employees are trained according to the organisational needs which makes each employee suit the company-specific systems and culture thereby creating competitive advantage. It follows that an organisation which invests in human capital creates a good reputation and attracts and retains talent.

## **2.6 THE BEHAVIOURAL PERSPECTIVE**

The behavioural perspective has its roots in contingency theory (Fisher 1989). The theory focuses on employee behaviour as the mediator between strategy and firm performance. It assumes that the purpose of various employment practices is to elicit and control employee attitudes and behaviours. The specific attitudes and behaviours that will be most effective for organisations differ, depending upon various characteristics of organisations, including organisational strategy. Thus in the context of strategic human resource management, these differences in role-behaviour required by the organisation's strategy require different HRM practices to elicit and reinforce those behaviours (Wright and McMahan 1992).

Schuler and Jackson (1987) adopted Porter's 1980 competitor strategy by discussing elements such as innovation, quality enhancement and cost reduction strategies. There must be a rationale for the linkage of competitive strategies with HRM practices in order to predict, study, refine and modify both strategy and practices in certain circumstances (Schuler and Jackson 1987).

The rationale is that employee role-behaviours are key in devising competitive strategies. Innovation strategies require a high degree of innovation behaviour, a long term focus, cooperative behaviour and risk taking. This can be contrasted with a cost reduction strategy that requires repetitive behaviours, a short term focus, autonomous activity, high concern for quantity, moderate concern for quality and low risk taking (Wright and McMahan 1992). However, congruence is required across many HRM

practices. These practices are regarded as a menu of options for HR executives as they choose practices that promote the most effective role behaviour consistent with the organisational strategy and aligned such that HRM practices are congruent with each other (Schuler and Jackson 1987)

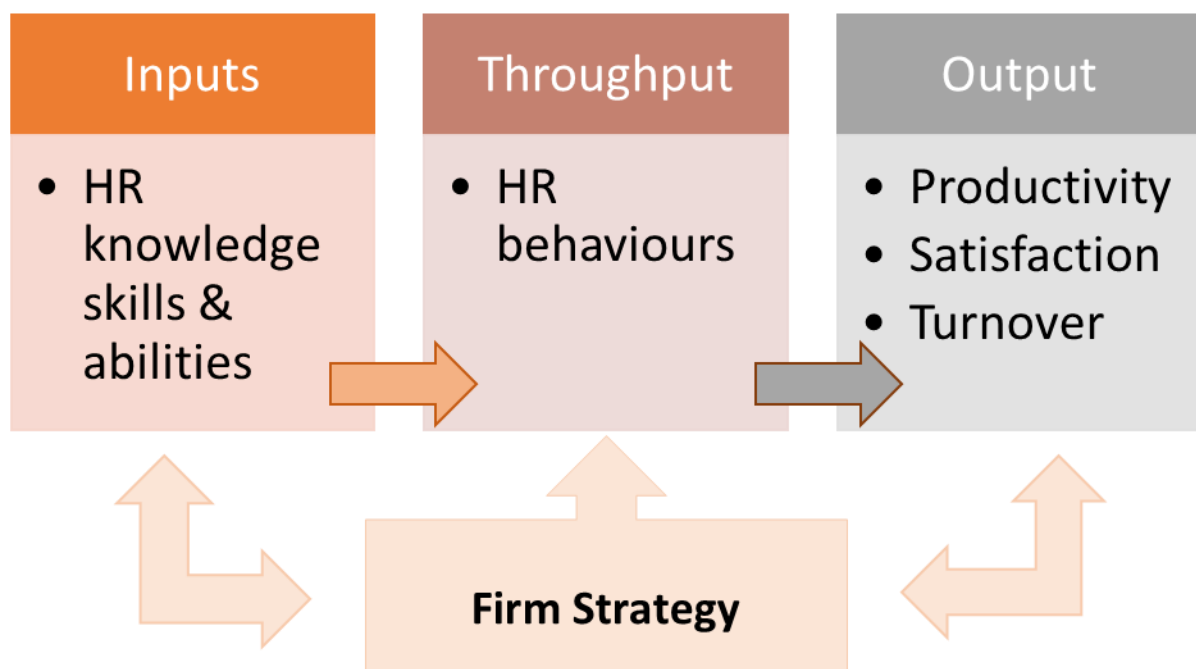
This theory proposed that for organisations to achieve their intended objectives, employee behaviours and attitudes should be tailor made towards the company objectives. Employee behaviour is of paramount importance in achieving organisational strategies. However, it is the role of human resource professionals to create desired behaviours that suit the organisational needs for competitive advantage. Thus, Barney (1991) in his Resource Based View theory indicated that it is only human resources that provide a firm with a competitive advantage and the ability to sustain it, since employee behaviour, skills, attitude and loyalty cannot be easily copied like technology. This shows the importance of employee training and development as a means of achieving competitive advantage as proposed by Becker (1993) in Human Capital theory.

## **2.7 CYBERNETIC SYSTEMS**

According to Katz and Kahn (1978) organisations consist of the patterned activities of individuals aimed at some common outputs. These activities consist of the energetic input into the system, the transformation of the energies within the system and the resulting product. By making use of Thompson's 1967 input-throughput-output model of how organisations structure and control behaviour, Wright and Snell (1991) proposed an open systems model of the human resource system for generating HRM strategies. They proposed that the inputs in the HR systems are competencies of the individuals in the organisation that the firm must import from its external environment. The throughput process can be characterised by behaviours of those individuals in the organisational system and output consists of both performance and effective outcomes (Wright and McMahan 1992).

Wright and Snell (1991) argued that strategic human resource management consists of two general responsibilities, described as competence management and behaviour management. Competence management deals with activities performed in the organisation to ensure that individuals have the necessary skills to execute organisational strategies. This involves negotiations with external labour movement for the purposes of attracting, selecting and retaining talent and making use of employees with the necessary abilities and skills in implementing the strategic business plan. Behaviour management is concerned with ensuring that individuals are supporting the organisational strategy in the way they act in the organisation.

The diagram below depicts the elements in the cybernetic model of human resource management. The three elements include inputs such as HR knowledge and skills, throughput such as HR behaviours and output such as productivity, satisfaction and turnover. These three elements determine a firm strategy for achieving organisational objectives.



Source: Wright, P.M and McMahan, G.C (1992)

**Figure 2: Cybernetic Model of HR System**

This theory acknowledges that the external environmental aspects play a role in achieving organisational objectives. Employee skills, HR behaviours and productivity should be embedded in the strategy of the organisation. Employee competencies and employee behaviour should be effectively managed to achieve the goals of the organisation thereby creating a competitive edge. The aspect of 'employee behaviour' is also found in the Resource Based View, where behavioural perspectives are one of the main aspects in attaining organisational competitiveness. However, a combination of inputs, throughput and output provides effectiveness in achieving a firm's strategy, thereby creating competitive advantage. Organisations are open systems that are influenced by changes and developments in the external and internal environment. Teece and Pisano highlighted in Dynamic Capabilities theory that effective deployment of internal and external competencies increases the firm's capacity to achieve competitive advantage.

Based on the above theories it can be deduced that employees are key assets that provide organisational competitiveness in any organisation. There is need for managers to apply innovative approaches in motivating and retaining employees. The environment is constantly changing as well as employee-employer relationship, hence a need to consider current and modern human resource management strategies for organisational competitiveness.

## 2.8 INTEGRATING THEORETICAL FRAMEWORK: HUMAN RESOURCE MANAGEMENT AND ORGANISATIONAL COMPETITIVENESS.

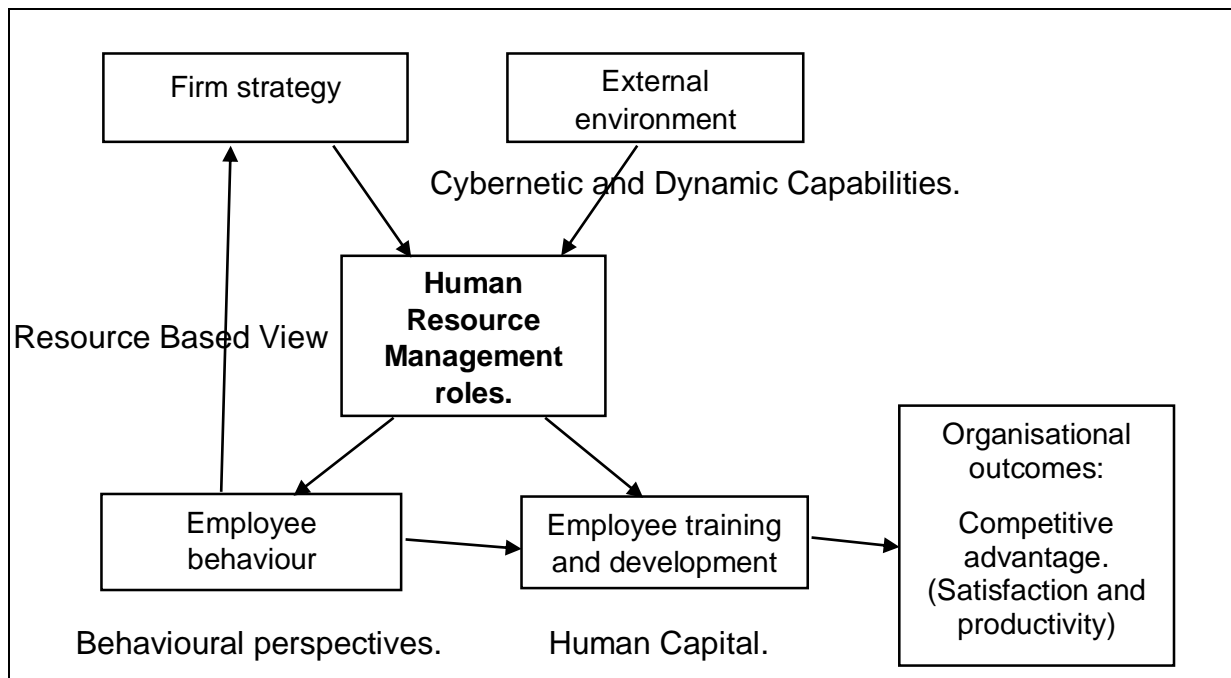


Figure 3: The relationship between Dave Ulrich's model of competitive advantage, Resource Based View, Dynamic Capabilities theory, Human Capital theory, behavioural perspectives and cybernetic systems.

The six theoretical models that have attempted to describe and explain the determinants of human resource management roles in achieving organisational competitiveness have been examined. The firm's Resource Based View focuses mainly on the relationships among internal strategies of the firm and the desired internal employee behaviour. Cybernetic and Dynamic Capabilities theories focus on the linkages between internal and external elements of the organisation. Finally, the Ulrich model of HRM focuses on how strategy, employee education (human capital theory), employee behaviour and external environment determine effective HRM roles. The composition of the six models described in Figure 3 demonstrates the ultimate organisational desired outcome, which is competitive advantage.

## **2.9 CONCLUSION**

This chapter explored theoretical frameworks and models in an attempt to describe the relevant theories that focus on creating competitive advantage in various organisations. Theories such as Human Capital theory, cybernetic theory, dynamic theories, behavioural perspectives, Resource Based View and the Ulrich model of HRM roles were discussed. This framework highlighted that internal human resources play a pivotal role in obtaining organisational competitiveness as they cannot be easily replaced or imitated and can be moulded to create desired organisational behaviours through intentional HR initiatives, including training and education. Furthermore, external environmental elements such as competition and competent employees could not be ignored as these determine the ability of any organisation to achieve a competitive edge.

## CHAPTER 3 LITERATURE REVIEW

### THE ROLE OF HUMAN RESOURCE MANAGEMENT AND THE CHALLENGES FACING HUMAN RESOURCE MANAGEMENT IN ORGANISATIONS

#### 3.1 INTRODUCTION

Future economic and strategic advantage can be obtained by the firms that effectively attract, develop and retain best employees. Organisational competitiveness can be achieved when firms are able to balance the resources available to the firm for profitability and survival. Physical, organisational and human resources are the assets found in a firm. However, in discussing how to obtain organisational competitiveness in the global market, Porter (1990) posited that, “management of the human resources in the global economy is the most critical of the three”. The idea of treating human resources as a means of gaining competitive advantage in both the domestic and the global marketplace was echoed by Greer (1995:105) in stating, *“In a growing number of organisations human resources are now viewed as a source of competitive advantage. There is greater recognition that distinctive competencies are obtained through highly developed employee skills, distinctive organisational cultures, management processes and systems. Increasingly it is being recognised that competitive advantage can be obtained with a high-quality work force that enable organisations to compete on the basis of market responsiveness, product and service quality, differentiated products, and technological innovation”*.

Typical Human Resources functions involve programs such as record keeping, recruiting, selection, training, employee relations, and compensation. It stands to reason that these programs involve multiple activities such as transactional, traditional and transformational activities that provide a firm with a competitive advantage. These activities provide strategic value for the organisation only if their results are aligned to the strategic goals of the organisation. In terms of strategic human resource management, transformational activities are the activities that add value to the organisation, such as cultural or organisational change, structural realignment, strategic redirection, and increasing innovation and creativity (Thite, Kavanagh, and Johnson 2012). Kramar (2014) argued that the concept and processes of strategic

human resource management (SHRM) helps to manage employees in a fast changing environment. Moreover, SHRM explicitly linked people management policies and practices to the achievement of organisational outcomes and performance, most particularly financial and market outcome (Kramar 2014).

This chapter reviews the literature that is related to human resource management roles and challenges in achieving organisational competitiveness. Overall this literature review is basically structured into four sections. Section one discusses the HRM roles that are found in organisations (strategic role, employee champion, change agent and administrative expert) which is the underpinning theory in building a competitive organisation. It is envisaged that understanding HRM roles assists in describing the different HRM practices and systems found in organisations. Section two describes the effectiveness of HRM roles in achieving organisational competitiveness. It is anticipated that this will help to design the HRM framework that could provide organisational competitiveness in state-owned enterprises. Section three discusses the benefits of HRM roles to the organisation and section four concludes the chapter with the challenges that are faced by HRM in obtaining competitive advantage. Critically examining the benefits and challenges of HRM is crucial in determining the best HRM tactics to build a competitive organisation.

As mentioned previously, this study is based on the four Human Resource Management roles suggested by Dave Ulrich to achieve organisational competitiveness. These are; strategic partner, change agent, administrative expert and employee champion. Ulrich argues that if HRM professionals embrace and implement these roles, organisations can achieve the desired competitive advantage (Grobler et al 2012:4). This study aims to provide a human resource management framework that can be used in the South African state-owned enterprises for competitive advantage.



### **3.2 THE HUMAN RESOURCE MANAGEMENT ROLE IN CREATING ORGANISATIONAL COMPETITIVENESS.**

Several studies (Bondarouk and Ruel 2013; Cristiani and Peiró 2015; and Donate, Pena, and Sánchez de Pablo 2016) have reported that it is through Human Resource Management that organisations gain competitive advantage. The view by the aforementioned authors suggests that HRM is a source of competitive advantage which can be considered in organisations. According to Chen and Huang (2009) cited in Donate, Pena and Sanchez de Pablo (2016), Human Resource Management roles are the most important elements that influence and shape employee skills and behaviour to achieve organisational objectives. Similarly, Donate, Pena and Sanchez de Pablo (2016), hold that human resource management deals with the matters of how to make employees creative and how to motivate them to apply rules for new product development in the organisation. This is supported by Ko and Ma (2017), that human resource management plays a strategic role in firms as it aligns employees' interests with the firms' intended strategic goal through long-term mutual commitment. This suggests that human resource management plays different important roles in creating organisational competitiveness, which this study aims to review in South African state-owned enterprises, using Mintek as a case study.

The nature of human resource management is broadened by recognising that contemporary HRM involves more than managing employees. It includes managing stakeholders, such as sub-contractors, consultants and people on non-employment contract, as well as possibly other organisations involved in the goods and services production value chain, for instance, telecommunication and marketing organisations (Kramar 2014).

### **3.3. HUMAN RESOURCE MANAGEMENT AND STRATEGIC PARTNERING ROLE**

According to Azmi (2011), human resource management (HRM), once responsible for record keeping and maintenance, has evolved into a strategic partner. Today in both private and public sector, Human Resources function is challenged by strategic as well as more customer-oriented roles. Moreover in the public sector, due to modernisation there is need to be more efficient and cost effective in product and service delivery and there are increasing demands for the HR function to play a more strategic role (Lindström and Vanhala 2011). Strategic HRM focuses on the strategic fit between the corporate and HR strategies and their impact on organisational performance. Thus the design of HRM policies and bundles of practice should be closely aligned to the general strategy of the firm and should be internally consistent between themselves and in relation to policies and practices in other functional areas (Cristiani and Peiró 2015). The traditional duties of the personnel function were contrasted with HRM thinking emphasizing long-term, proactive, strategic orientation, the role of employees as an asset, integration into line management and concern for performance in the 1980s. This change led to more emphasis on competitive pressures, such as cost reduction, productivity improvement and customer focus among senior HR executives. Likewise in the public sector, the traditional roles and duties of the HR function have shifted from administering relatively stable employment relations and conditions to the restructuring of career paths, decentralisation and devolution of tasks and requirements of strategic contributions to performance (Lindström and Vanhala 2011). Conceptually, the strategic role of the HR function has evolved to the ability to strategically manage the organisation's human resources with a focus on the future and to develop links with the organisation's business strategy. The HRM function should be involved in creating an environment of continuous learning and a positive attitude to change (Boxall and Purcell 2008). HR professionals should fulfil a continuum of roles including support, service, consulting and leadership, and be expected to pay equal attention to strategic and operational activities (Gao, Zhang, Zhao, Li and Wu (2016). Azmi (2011) contended that SHRM contributes to corporate financial performance, firm profitability, excellence in cost-oriented manufacturing strategies or innovation strategies, employee productivity, cash flow, firm market value and achieving greater economic success.

A study by Mamman and Somantri (2014) revealed that HR practitioners play more strategic roles than operational roles in Indonesia, which is a developing country. This suggests the changing nature of HRM roles which this study seeks to review in a South African state-owned enterprise. The proper implementation of Strategic Human Resources Management plays a pivotal role in creating and sustaining competitive advantage for the organisation as it supports the business' overall objectives by responding to the internal and external factors influencing business strategy. This involves HRM's ability to attract external individuals or stakeholders who fit in the organisation and to build a strong relationship with them for organisational competitiveness. Thus, Jackson, Schuler, and Jiang (2014) defined strategic HRM as 'the study of HRM systems and their interrelationships with other elements comprising an organisational system, including the organisation's external and internal environments, the multiple players who enact HRM systems, and the multiple stakeholders who evaluate the organisation's effectiveness and determine its long-term survival'.

### **3.3.1. Human Resource Management and Corporate Social Responsibility**

Corporate Social responsibility (CSR) has become a very important strategy in enhancing branding and competitive advantage. HRM is involved in the development and implementation of CSR strategy. Within a multi-dimensional CSR-HRM relationship and context, HRM is likely to provide considerable strategic and operational input to the development and implementation of 'internal CSR', the natural domain of HRM relating to the employee development and well-being (Sarvaiya, Arrowsmith and Eweje 2019). A study by Sarvaiya *et al* (2019) revealed that the CSR-HRM relationship varies according to organisational context and according to how far the remit of CSR extends to internal and external considerations. Aguinis (2011:855) stated that a common definition relates CSR to context-specific organisational actions and policies that take into account stakeholder expectations and the triple bottom line (economic, social and environmental) performance. This emphasises the contextual and broad nature of CSR in how an organisation ethically relates to its multiple stakeholders such as customers, suppliers, managers and employees and the wider community. Internal CSR is concerned with employees' socially responsible behaviour

and this directly relates to HRM programs such as flexible working, work-life balance, employee wellness, management of diversity and employee representation (Sarvaiya et al 2019). The HRM function can also be closely involved in mobilising resources in pursuit of external CSR goals and activities at strategic and operational levels, especially in multinational firms where differences in cultural and institutional context often require international HR experts (Sarvaiya et al 2019). This can give an employee a greater sense of pride in seeing tangible contributions made by the organisation in the community where he or she lives. This can also result in greater employee loyalty and commitment towards the organisation (Amos, Pearce, Ristow and Ristow 2016:320). Galang and Osman (2016) stated that advancements in information technology and increasing expectations for corporate social responsibility and sustainability in the past decade calls for the expansion of HRM role in organisations.

### **3.4. HUMAN RESOURCE MANAGEMENT AND THE EMPLOYEE CHAMPION ROLE**

Ulrich (1997) asserted that HRM refers to the holistic management of employees and employee champion is one of the main functions of this discipline. This role has changed significantly in the public sector over the past two decades, especially for professionals (Brunetto and Beattie 2020). Sarvaiya, Arrowsmith and Eweje (2019) claimed that the role of 'employee champion' involved listening to and representing the views of employees and understanding and addressing their needs in the organisation. HR professionals are expected to help enterprises to build core competencies and obtain competitive advantage. Advances in domestic and international labour laws highlight the prominence of employer-employee relationship management on the agenda of contemporary HR professionals. They are now expected to cultivate new incentives to release the potential of knowledge workers, considered the major source of human capital in a knowledge economy (Gao et al 2016). Similarly, Neelankavil and Sengupta claimed that human capital is recognised as the most intangible asset a firm has to succeed in a highly competitive global environment. Employee champion also involves coaching and mentoring of

employees as a way of offering full support to the employees for organisational competitiveness. Coaching focuses on the transfer and improvement of specific skills over a short period of time, while mentoring extends to longer-term development and nurturing required for overall leadership competencies (Schraeder & Jordan, 2011). Coaching and mentoring are discussed further in the next section.

### **3.4.1. Human Resource Management and Coaching**

Coaching has been part of successful leadership development activities that involve multidimensional, interactive and complementary approaches. Coaching has been seen to increase the calibre and quality of personnel, reduce turnover and focus an organisation on strategic priorities (Walston 2014). Coaching has helped engrain key competencies based on an organisation's values and strategic direction and advance needed leadership behaviours (Law and Aquilina, 2013). A study by Kim, Egan and Moon (2014), to measure the impact of coaching through the identification of soft skills in public sector employees of some companies established in the United States and South Korea, highlighted that coaching provides beneficial factors such as empowerment and trust, corporate vision, systemic thinking, and feedback which enhances organisational competitiveness.

Theeboom, Beersma and van Vianen (2014) explored the effectiveness of coaching within an organisational context by addressing the question of whether coaching has an effect on five theoretically and practically relevant individual-level outcome categories. These were defined as performance/skills, well-being, coping, work attitudes, and goal-directed self-regulation. The results showed that coaching has significant positive effects on all outcomes. These findings indicate that coaching is, overall, an effective intervention in organisations (Theeboom et al 2014). Grant, Passmore, Cavanagh, and Parker (2010) supported this view, suggesting that coaching is often considered as a useful tool for individual and organisational development. HRM functions facilitate the coaching process as a form of skills development and capacity-building through HRM devolvement to line managers as iterated by Meyer (2016:289) that coaching in an human resource development (HRD)

context is a form of on-the-job training, using work to provide planned opportunities for learning under guidance. However, Kim and Ryu (2011) stated that for a human resource department to be highly effective, it should be socially well-connected to the line managers and their subordinates. Based on the compelling argument that employees' unique, inimitable and non-substitutable competencies and knowledge are key sources of sustained competitive advantages (Barney, 1991), HR professionals emphasised the value of training in improving business performance.

The overall goal of coaching in a work context is to optimise a person's work-related functioning. First, individuals in organisations function better if they feel well, that is, if their basic needs are fulfilled and if they do not struggle with work-related health problems. With regard to the latter, work-related stress affects over 20% of workers in the European Union which costs organisations about 20,000 million Euros per year (Theeboom, Beersma and van Vianen 2014). Theeboom *et al* (2014) revealed that coaching intervention results in a positive change in employee well-being as indicated by a decrease in sickness-related absenteeism and burnout and an increase in life satisfaction.

### **3.4.2. Human Resource Management and Mentoring**

Waight and Pandit-Tendulkar (2019) suggested that 'mentoring is a personal and reciprocal relationship in which a more experienced employee acts as a guide, role model, teacher, and sponsor to a less experienced employee in the organisation. The relationship can transform talented employees into elite performers as they receive career guidance and support in their pursuit of success (Lunsford, 2011). Through mentoring, employees gain critical thinking skills, self-confidence, and persistence, which result in achievement of organisational goals. Mentoring also helps employees with career acculturation through identity development, motivation, and psychological health (Eby, Allen, Hoffman, Baranik, Sauer, Baldwin; Morrison 2013) and (Ragins, 2012). In this 21<sup>st</sup> century organisations are concerned with the generation of financial profitability and the creation of value through their non-financial performance. In order to achieve a balance between these two variables, there exist development processes

and empowerment and support, which includes managerial coaching and mentoring (McGuffin and Obonyo 2010). Substantive empowerment involves factors such as increasing the abilities, responsibilities, formal authority, effective capacity and involvement of broadly skilled front-line workers in problem solving, decision making and continuous empowerment (Jones, Latham and Betta 2013). Companies in search of high levels of competitiveness can rely on rigorously designed coaching and mentoring programmes, which must have the participation of qualified and certified professionals who are responsible for the implementation of these accompanying processes. (McGuffin and Obonyo 2010).

### **3.5. HUMAN RESOURCE MANAGEMENT AND THE CHANGE AGENT ROLE**

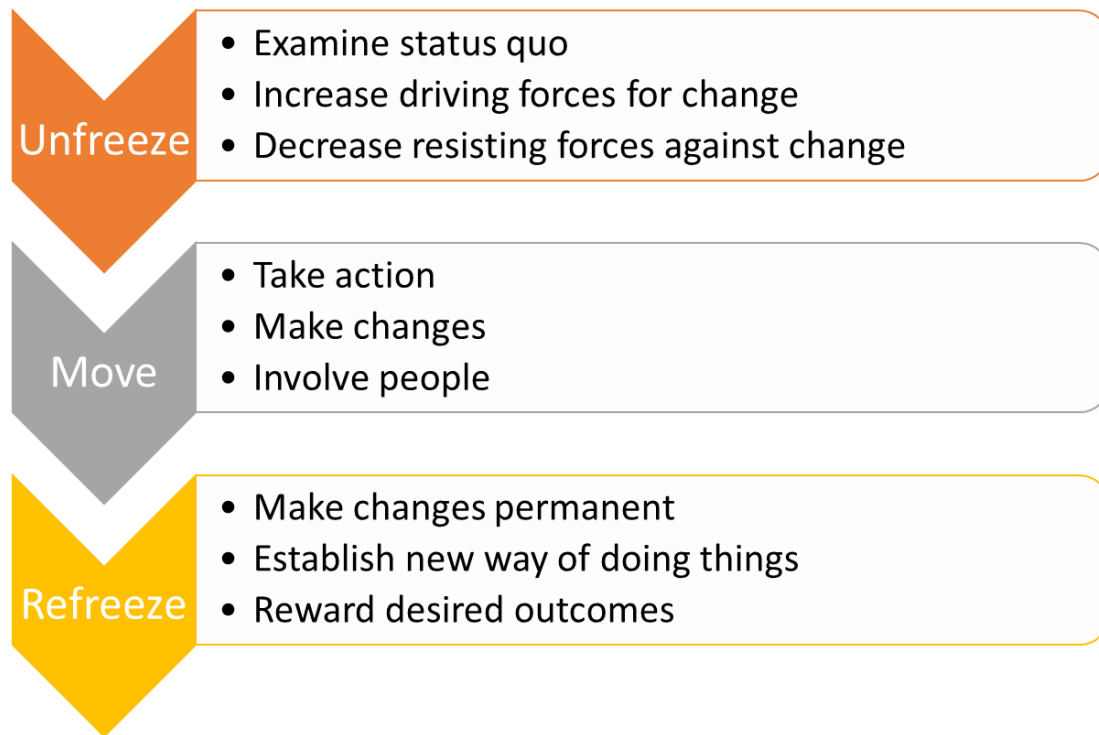
Sarvaiya, H., Arrowsmith, J. and Eweje, G. (2019) stated that as change agents, HR professionals aim to facilitate the change management process and ensure organisational resources are aligned to the desired change. One of the main roles of a strategic human resources department is the management of change (Alfes, Truss and Gill 2010). Over the past few decades, increasing numbers of HR professionals have engaged in organisational change efforts, not simply as administrative supporters but as active agents of change (Ulrich 1997). However, Ulrich (1998:125) suggested that HR departments should become an agent of continuous transformation and build the organisation's capacity for change. Kim and Ryu (2011) purported that when companies are responding to dynamic environments, the HR managers are required to drive their efforts to build flexible organisations by providing the following measures:

- Developing a system of HR practices that can be quickly adapted.
- Enlarging the skills set of employees.
- Enlarging the behavioural flexibility of employees.

As organisational changes are becoming common practice in management activities today, HR professionals are expected to assist organisations in keeping the employees committed and motivated throughout the change process (Kim and Ryu

2011). This is because when organisations undergo a change process, there is a great possibility that workers develop collective interpretation and views about the change initiatives in a way that management does not intend to endorse. Rumours and suspicions, combined with incomplete pieces of information, may lead to unorthodox interpretations about the underlying purpose of the change initiatives (Isabella 1990 cited in Kim and Ryu 2011). Alfes, Truss and Gill (2010) suggested that the potential significance for HR in management of change can be viewed from a social constructionist perspective, focussing on discourse theory to explore the HRM contribution in effecting language shifts during change as individuals construct their changing personal realities (Alfes et al 2010).

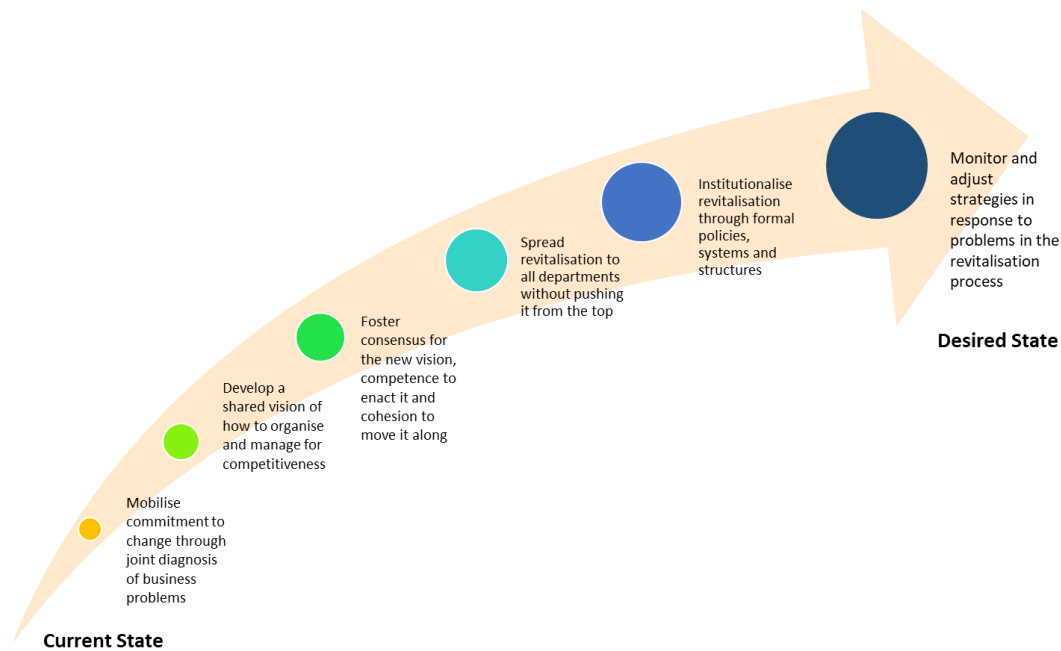




*Source: Adapted from Cameron and Green (2012:122)*

**Figure 4: Kurt Lewin's model of organisational change**

Kurt Lewin suggested a way of looking at the overall process of making changes in the organisation. He proposed that organisations have three steps to follow when initiating change as depicted in Figure 4. The first step involves unfreezing the current state of affairs. This means defining the current state, surfacing the driving and resisting forces and picturing a desired end state. Human Resource professionals play a pivotal role in communicating the reasons and benefits for change to decrease employee resistance. The second step is about moving to a new state through participation and involvement. This stage also requires the input of HR as they assist with counselling for employees negatively affected by change as well as training of employees who would have assumed new roles as a result of change. The third step focuses on refreezing and stabilising the new state of affairs by setting policies, rewarding success and establishing new standards (Cameron and Green 2012:122). As this stage advocates for permanent change, HR plays a role in reward strategies that can be used to instil a desired behaviour in the organisation. This shows the pivotal role of HR professionals as change agents in all the stages of effective organisational change implementation.



*Source: Adapted from Senior and Fleming (2006:184)*

**Figure 5: Six steps to effective change**

The above steps argue for changing the organisational context such as people's roles, responsibilities, and the relationships between them first, which will then result in changed behaviour. The assumption is that changing organisational structures, systems, and role relationships, which comprise the formal aspects of organisational life, will bring about desired cultural changes incorporating organisational members' attitudes and beliefs (Senior and Fleming 2006:183).

### **3.6 SEVEN HUMAN RESOURCE MANAGEMENT ACTIVITIES IN SUPPORTING ORGANISATIONAL CHANGE**

HRM professionals perform activities from seven different domains of HRM practice in order to support change in organisations for competitive advantage. The first is cultural change and the role of HR in cultural change is to actively influence values, beliefs and learned way of behaviour thorough HR initiatives. In terms of recruitment, HR ensures a proper recruitment of employees who are willing and able to support the organisation's change initiatives and possess the competencies needed under the

new working environment (Alfes et al 2010). Coetzee and Schreuder (2016:196) argue that recruitment process is informed by the human resource or workforce planning efforts of the organisation and focuses on attracting a large number of people with the right qualifications, knowledge, skills, abilities and other desired characteristics and competencies. These are the candidates that are needed by organisations to support its goals for competitive advantage as they are able to fit into the organisation's systems.

Amendments to performance management practices ensure that individual goals are properly aligned with new organisational goals and also that the behaviour that supports the organisational change is rewarded (Alfes et al 2010). Performance Management comprises a set of practices, tools and processes used by managers to plan, direct and improve the performance of employees in line with achieving the overall strategic objectives of the organisation (Amos et al 2016:355). Human Resource Development (HRD) initiatives can be used to ensure that employees have the necessary skills, capabilities and knowledge to effectively manage the stress of transition and be able to function after change. Meyer (2016:64) provided that HRD needs to be viewed not only from a reactive perspective of providing training, but also to be perceptually repositioned within the organisation. An equally important task of the HRM is the revision of the reward management program, which Thornhill *et al* (2000) cited in Alfes *et al* (2010) argued has to be intergraded with performance management in order to support the new strategic goals of the organisation.

Another task of HRM in the change process is the management of employee relations. Change processes can be subject to legal regulations, especially the change leads to the reduction in the number of employees. Regular, honest communication and good relationships with recognised trade unions and compliance with legal regulations is crucial to the success of change processes. Furthermore, downsizing has to be closely monitored and carried out by the HR function. (Alfes et al 2010). Downsizing is a strong stress-inducing factor that has profound influence on the work behaviours and attitudes of the remaining workforce (Coetzee and Schreuder 2016:549). Therefore, HR has to devise a downsizing strategy for the employees who are not willing or not

capable of sustaining the change initiative as well as reduce the effects of survivor syndrome (Alfes 2010).

### **3.7 CHALLENGES FACING HUMAN RESOURCE MANAGEMENT IN ORGANISATIONS**

One of the main concerns of human resource management in the past was ensuring a certain degree of labour productivity. Contrarily, the recent human resource trends and challenges revolve around environmental issues, including globalisation, technological innovation, cost containment, and leveraging employee differences, among others (Dessler 2013, Snell and Bohlander 2013). These challenges are tightly connected with the four main functions of human resource management, namely; staffing, employee development, compensation and governance (Sun, Liu, Law and Zhong 2017). This section highlights some of the key challenges facing the human resource management functions in an organisation.

#### **3.7.1 Attracting skilled employees**

Bratton and Gold (2012) reported that staffing is a major concern because of the difficulty in recruiting people with appropriate skills and abilities to match positions. Almeida, Fernando and Sheridan (2012) stated that the recruitment process is influenced by the human capital perspective and by organisational characteristics such as management style and organisational type. However, employee development refers to individual expectations, thus, it is the match between what the organisation offers and what the individual contributes. Based on Qiqi and Rava (2014), training can be regarded as a feasible means of minimising the gap between individuals and organisations. Compensation and benefits systems are generally the main components of compensation. These aspects play an important role in attracting skilled workers to the organisations as there is employee recognition in both training and compensation. From the psychological perspective, compensation largely affects the attitudes and behaviours of employees. Although money is the most direct manner of increasing self-reliance and pain tolerance among employees, increasing labour

cost is the greatest challenge for an organisation. Governance denotes the effective management of human capital (Sun et al 2017).

### **3.7.2 Shortage of Labour and Brain Drain**

Sun, Liu, Law and Zhong (2017) asserted that the issue of shortages of labour has continued to be a major challenge facing Human Resource Management. This includes attracting and retaining employees in organisations. This is consistent with Asrar-ul-Haq (2015) who explained that brain drain is becoming a critical challenge in most developing countries as they have talent but face difficulties in developing, motivating, rewarding and retaining their pool of talent. This suggests that though HRM can be effective and beneficial in organisations, it faces internal and external challenges that hinder its progress and ability to achieve organisational competitiveness. A study by Kaplan and Höppli (2017) revealed that South Africa's most recent data reveals that the rate of emigration is accelerating. The United Kingdom, Australia, New Zealand, Canada and the United States have traditionally been the main destinations for emigrants from South Africa. The brain drain has not reversed since the onset of the global financial and economic crisis in 2008 (Kaplan and Höppli 2017). This has created challenges amongst the human resources professionals in SOEs as they are unable to maintain key employees since they relocate to developed countries for greener pastures. This has resulted in the lack of skilled, innovative employees in organisations. Furthermore, skills shortages are the major constraint on innovation and limit the formation and the development of new technology-based firms (Kaplan *et al* (2011) cited in Kaplan and Höppli 2017).

### 3.7.3 Influences of Internal and External factors

The development of HRM and its social and economic consequences are the subject of a wide array of processes and inputs. The manner in which the management and regulation of the employment relationship evolves is influenced as much by external factors as it is by internal ones, specific to the organization. The rule of law, the state as a public sector employer, economic policy, and social and welfare rights are central features of how people are managed and developed (Lucio and Stuart 2011). Wong (2017) reported that employment is subjected to tight government monitoring and control systems which introduce many constraints on human resource management. External factors such as political, legal, cultural and financial parameters are key in the implementation of talent management in the public sector. Changes in political priorities, for instance, often changes the budgets of public entities, thus potentially limiting financial resources for the implementation of talent management. Legislation also has an impact on applying talent management. For example, the training of talented Chinese civil servants is supported by Chinese Civil Service law (Yang *et al* 2012). Since 1994, the South African government has attempted to redress inequality through legislation and treat everyone fairly (Phiri, Molotja, Makelane, Kupamupindi and Ndinda 2016). This includes equal access to employment and promotion opportunities, training and capacity-building, development, remuneration and other aspects of Talent Management.

Although the recent global recession created more opportunities for attracting talent to the public sector, the private sector still has competitive advantage due to the time consuming bureaucracy in the public sector. Talent Management is perceived as an unfair procedure that clashes with the public sector principles and values of equal treatment (Kravariti and Johnston 2019). This is a paradox in that there is difficulty in identifying public sector talents, such as individuals who possess the competencies, knowledge and values that reflect the public sector's core principles, which in turn creates talent shortages in the sector (Thunnissen and Buttiens 2017). HRM professionals and line managers are unable to identify and mould competent people as a way of retaining talent as they are required to treat everyone fairly in public companies. Buttiens and Hondeghem (2012) argued that the public sector favours

inclusive talent management as it includes every employee in the organisation in implementing the talent management policy, unlike exclusive talent management which targets specific segments of employees in the organisation. However, South Africa's quest for inclusive innovation occurs in a political environment committed to transformation through social policies that invest in physical and human capital. These policies include educational reforms and job creation (Phiri, Molotja, Makelane, Kupamupindi and Ndinda 2016).

### **3.7.4 New Entrants in the Labour Market (Generation Y)**

Given that baby boomers are mainly at the age of retirement, public sector organisations now need to find ways of attracting younger generations and adjust their talent management accordingly (Glenn 2012). This becomes difficult when considering that new generations have higher expectations, are more concerned about quality of work and favour mobility. Organisations can no longer depend on loyalty and need to consider ways to attract and retain talent (Kravariti and Johnston 2019). Generation Y employees are currently expanding in the workplace and they are known as self-centred and narcissistic (Sun et al 2017). Hansen (2016) stated that Generation Y employees regard themselves as unique individuals, and they do not want to be branded with any specific label. Sun, Liu, Law and Zhong (2017) sought to explore human resource challenges in China's tourism industry and revealed that labour shortage and the gaps between Generation Y and the organisation have become a great HRM challenge in the tourism industry. Furthermore, Generation Y employees currently influence organisational structure and culture because of their different approaches in dealing with work. Considering this circumstance, an organisation can hardly influence this type of employee (Williams and Turnball 2015). Canaan, Messarra, Karkoulia, El-Kassar and Singh (2016) iterated that their career-driven personality is known as 'work my way'. Moreover, the characteristics of Generation Y employees make it difficult for the organisation to achieve effective human resource management (Sun et al 2017).

### **3.7.5 Academic Qualification Structures and Job Performance**

The leading human resource challenge in China is Talent Management. Numerous problems have to be solved in terms of the construction of qualified personnel, such as the unreasonable talent hierarchy and the lack of innovation and entrepreneurial talents in management level positions. China's future economic growth is likely to be constrained by a serious shortage of technical and professional specialists, notably, in information technology, financial services and accounting occupations, real estate and construction, legal and management consulting, and in regional areas, as well as experienced senior managers with global mindsets. These shortfalls are most pronounced in multinational companies operating in China, but are also present in many of the modernising SOEs and local private companies (Nankervis 2013). It is critical for any country's development to have a wealth of human capital such as intellectuals, researchers, consultants, and practitioners to form a community and a nurturing environment to grow in the field of Human Resource Development (HRD). However, there is acute need for the right policies to reduce the gap between academia, research and the job market. The universities need to restructure their programmes to prepare HRD professionals for the future (Asrar-ul-Haq 2015).

### **3.7.6 Diverse Employees in the Workplace**

Operating environments characterised by threat, conflict or adversity are believed to impact employees with implications for organisational functioning (Lee and Reade 2015). The nature of relationships between groups of people in society, including ethnic groups, can affect relationships, and perceptions of those relationships, inside the organisation. The societal context, in other words has a bearing on employee attitude and behaviour in the workplace (Lee and Reade 2015). A likely workplace manifestation of societal ethnic conflict is homophilous patterns of relationships based on ethnicity. Homophily is the tendency to interact with others who are similar in given attributes such as race, ethnicity and sex. The more employees are exposed to violent ethnic conflict in society, the more likely they are to perceive and display ethnic-based homophily behaviour in the workplace through ethnic identity salience, as suggested by social identity theory. Homophily behaviour in the workplace, particularly racial and



ethnic-based homophily, has detrimental effects on the organisation. This includes compromised workplace integration at the organisational level due to a tendency among racial or ethnic group to form subgroups, hence a reduced opportunity for individuals to interact and collaborate with colleagues from different racial or ethnic groups (Lee and Reade 2015). This reduces the value and potential of richly diverse workforces.

### **3.7.7 HRM Dual Loyalty and Role Conflict in the Workplace**

The Strategic Human Resource Management approach is fraught with difficulties, including failing to take into account a variety of stakeholder requirements, the reality of HRM inconsistencies within organisations, the ambiguities, paradoxes and dilemmas of HRM practices and inadequate account of external influences. For instance, human resource managers are in an ambiguous position when they have to demonstrate that they are contributing to the financial outcomes and adding value to the organisation, by reducing labour costs, yet at the same time contributing to the well-being of employees through work-life balance programmes (Kramar 2014). HR executives who are expert in both financial and people skills are in a strong position to balance judgement of economic rationality with social responsibility. However, both anecdotal and research evidence suggest that some HR practitioners find this position burdensome. They see conflict between the understanding of themselves as 'friends of the workers' and their new role as management's instruments of competitive advantage (Grobler et al 2014:204). Steyn (2019:212) described role conflict as the simultaneous existence of two or more role expectations where agreement with one expectation makes it difficult to fulfil the other expectations. The HR department has a function of motivating employees through employee wellness programs and training which can be a cost to the company, and at the same time are expected to contribute to the financial health of the organisation by cutting the costs of operations.

### **3.8 CONCLUSION**

This section discussed the HRM roles that organisations use to obtain competitive advantage. HRM professionals are now linking their functional activities to the overall goals of the business by playing different HRM roles such as the strategic partner role, administrative expert role, employee champion role and change management role. Galang and Osman (2016) asserted that in the past decades, the changing business environment underscored the increasing importance of human resources as a source of competitive advantage for firms, relative to other resources such as technology, access to capital or strategic position. The section also discussed the challenges that HRM encounter in providing services to the organisation. Struggling to attract skilled people, shortage of labour, internal and external influences, new entrants into the labour market such as the Generation Y employees, management of diversity, bureaucratic systems and structures and the new role of HRM which creates conflict as HRM practitioners try to balance the employee needs and management needs in creating organisational competitiveness. These HRM roles and challenges are also evident in state-owned enterprises and there is need for the executives to examine the impact of these roles and challenges in gaining organisational competitiveness.

### **3.9. THE BENEFICIAL ROLE AND EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT IN OBTAINING ORGANISATIONAL COMPETITIVENESS**

#### **3.9.1. BENEFITS OF HUMAN RESOURCE MANAGEMENT TO THE ORGANISATION**

Strategic human resource management benefit organisations through the shaping of their entire management culture by encouraging superiors to provide their employees with enough resources and autonomy in executing their tasks. This enables managers to delegate once they see a working ability and performance improvement in their employees (Tang, Wei, Snape and Chu Ng 2015). Lui, Rong and Ko (2018) reported that the implementation of Human Resource Management roles does not only improve the ability of employees to perform job-related tasks, but influences employees' perceptions of the firm, which affect their behaviour. Human Resource professionals have not only adopted new roles within the workplace, but have also designed, in conjunction with line managers, some innovative human resources approaches which benefit the organisation and provide competitive advantage (Grobler et al 2012:9). This suggests that HRM has some positive effects in organisations, thereby creating organisational competitiveness.

#### **3.9.2 INNOVATIVE APPROACHES TO HUMAN RESOURCE MANAGEMENT**

Innovation involves deliberate application of information, imagination and initiatives in delivering greater or different values from resources, and includes all processes by which new ideas are generated and converted into useful products. Innovation in HRM relates to the responsiveness and the proactive approach used by HR professionals to drive their employee strategies. It speaks to the creative and game-changing initiatives that HR utilises to understand, motivate and direct employee thinking, behaviour and needs (SABPP Fact sheet 2016:2-3). Grobler *et al* (2012:9) described some of the innovative HR approaches such as self-managed work teams, alternative workplaces, E-HRM and Talent Management. These approaches help organisations to achieve competitive advantage through strategic deployment of resources and

employee motivation. Evidence suggests that innovative work practices implemented inside establishments carry benefits for the firms that use them (Hunter 2000).

### **3.9.2.1 Self-managed Work Teams**

Self-managed work teams (SMWT) have recently come to the fore as a method of improving employee commitment and thus the general well-being of the organisation. In Europe, these teams are used by Volvo Company and are producing higher profits and productivity gains than those of the average operator. The teams are empowered to use their initiative in solving problems of the organisation. This enables firms to create innovative ideas in the organisation and provide competitive advantage as they quickly respond to the organisational needs through brainstorming, supported by payment schemes. In the compensation system for teams, gain-sharing or suggestion-system payments are used to encourage team initiatives for the benefit of the organisation (Grobler et al 2012:10). Moving from a centralised functional staff position, the HR professional now becomes a coach, counsellor or advisor to the team. For instance, when HR hires or selects people for the company, the team members are included to assess the individual's ability to work as a team. The SMWT assesses its own training needs and, with the input and advice from HR professionals, participates in the design, delivery and evaluation of the training programmes (Grobler et al 2012:10). However, in a study conducted by Guchait, Lei and Tews (2016) on team effectiveness, which examined the impact of task work knowledge and teamwork knowledge, findings were that, teamwork knowledge have a greater impact on team satisfaction and performance. This suggests that there is need for individuals in a team to work together by sharing knowledge to achieve a common goal for organisational competitiveness.

Taking a historical perspective, SMWT is a work design embedded in the recurring attempt to align individual motivation with organisational objectives. Empowerment rhetoric emerged in the 1980s and 1990s with present approaches of HRM, which announced people as a competitive organisational resource, through creativity, autonomy, responsibility and teamwork. At the same time, an increasingly competitive and adverse market, characterised by the rapid pace of change, rationalisation and

downsizing is very much the order of the day. In order to cope with an adverse context, empowerment and teamwork are used as management tools in order to ensure organisational survival (Proenca 2010). Managers who manage through supportive leadership styles such as ethical styles and empowerment are likely to engender more productive employees with less demanding effects on subordinate health (Wilkinson, Redman and Dundon 2017). SMWT can be envisaged as an empowerment technique aimed at extracting HR value, according to the organisation or management perspective and usually includes planning, scheduling of work and taking action on problems (Proenca 2010, Huczynski and Buchanan 2013 and Robbins, Coulter and DeCenzo 2017). Thus Wilkinson *et al* (2017) suggested that HRM can have empowering effects on employees such as autonomy, job involvement and self-control, which engages employees actively in their jobs and supports a more positive attitude and mental well-being.

### **3.9.2.2 International Human Resource Management and Global Virtual Teams**

Grobler *et al* (2012) and Mondy and Mondy (2012) argued that with greater availability of technology within companies, the SMWTs have now also evolved into virtual teams and members do not have to meet face to face thereby eliminating “dead time” caused by travelling. Virtual teams have become important due to the emergence of environments that require inter-organisational cooperation and competition, changes in workers’ expectations regarding their involvement in organisations and the globalisation of trade and organisation activity (Grobler *et al* 2012:10). Adamovic (2018) iterated that the number of global virtual teams (GVTs) has increased in recent years due to globalisation of business, improved information and communication technology, and higher innovation needs. Practitioners expect GVTs to be creative, innovative and high performing in order to create competitive advantage for organisations. A study by Adamovic (2018) which sought to research the quality of work life to introduce an employee-focused HRM perspective for the management of GVT, found that GVT members suffer from interpersonal problems, stress and misunderstandings based on cultural differences. GVTs require HRM support to cope with job demands that result from their cultural diversity, virtuality and geographic dispersion. Adamovic (2018) provided four categories which create employee well-

being in GVTs: development of international skills and careers, international corporate culture, International Human Resource Management policies and work-life balances.

An important employee-focused HRM tool to develop and grow human capacities is HR training. However, due to the specific context of GVTs, it is necessary to adapt HR training to the international environment by focusing on cultural intelligence, cultural values or global mind-set. Helping GVT members to develop these global interpersonal skills allows them to handle cultural diversity more effectively. This means international oriented training functions as a job resource and reduces job demands that result from cultural diversity. This creates a better team atmosphere that is characterised by trust, cohesion and solidarity instead of unfairness, uncertainty, ignorance and conflict. HR Managers further offer technology training to GVTs to help members effectively use all available information and communication technologies. To communicate, cooperate and coordinate effectively with geographically distant teammates, an adequate level of technological expertise is required (Adamovic 2018).

Besides offering technology training, HRM establishes the right environment that provides GVT members with opportunities to use their technological skills and competencies in an effective way. In the past decade, the area of HRM has been expanded by a technology component to integrate recent developments in information and communication technology (Stone and Dulebohn 2012). In the context of GVTs, the technology environment includes computer availability, basic technological tools and email access but also more advanced technology such as sharing documents through cloud software, simultaneous working on several documents such as Google documents, meeting software such as Skype and Google Hangouts, collaborative software such as Blackboard, and corporate social networking such as Jive and Yammer. The provision of required technology or software functions as a job resource helps ameliorate negative effects of electronic dependence in GVTs. The appropriate provision of technology allows all members to contribute with their unique knowledge and perspectives to the success of the team (Adamovic 2018).

To further develop and grow human capacities in GVTs, HRM offers possibilities to GVT members to develop international careers. International career development programs can include international work assignments, international networking opportunities, and recognising GVT work as criteria for promotion (Stahl and Cerdin 2004 cited in Adamovic 2018). Crucial skills that GVT members should have are related to cultural intelligence and global mind-set. Andresen (2010) indicated that international work experience helps employees acquire these global skills and competencies. Thus HRM should help employees become more culturally sensitive and grow personally. This helps GVT members to cope with the dysfunctional effects of cultural diversity and geographic dispersion on job demands and well-being (Adamovic 2018).

To create social integration in GVTs, International Human Resource Management (IHRM) assists GVTs to develop into cohesive teams, in which cultural differences and geographic dispersion are not considered liabilities but sources for learning and development. The specific context of GVTs makes team building more complex and complicated. IHRM encourages teams to build identification and cohesion in an international environment. Similarly, it has to pay attention to how it creates GVT members and how GVT members treat each other as this affects team performance (Adamovic 2018). Subsequently, a study by Hopp and Zenk (2012), which analysed the emergence of collaborative working patterns and the influence of personal traits on team performance and individual team member satisfaction, found that the aggregation of power within teams is detrimental to team performance. When some individuals are in a position that allows them to exert power over others, the performance of a team suffers (Adamovic 2018). Paris and Rollang (2010) iterated that despite the acknowledgement of impact of individual 'stars' on firm performance, evidence documents that in order to achieve sustainable competitive advantage, HRM needs to account for collaborative effort to foster innovations and increase financial performance. This acknowledges the important role of HRM in creating competitive advantage. Finally, IHRM provides the right technology to GVTs in order to help members to bridge their geographic dispersion and cultural diversity (Adamovic 2018). Newell *et al* (2007) indicated that an effective way to build cohesive GVTs is to allow members to meet face to face before they start their GVT work. Face to face meeting

requires some financial investment as the members often work in different countries. These first interactions reduce the likelihood that cultural and geographical dispersion will become the basis for social categorisation processes and stereotype. In addition, electronic dependence is less likely to be a liability that causes job demands, because members who have met face to face are less likely to interpret negative intentions of teammates in electronic communication. To increase identification and trust, HRM organises face to face meetings in later stages of the team existence (Adamovic 2018).

A study by Butler, Minbaeva, Maleka, Maloney, Nardon, Paunova and Zimmermann (2018) on the HRM implications of global teams for international organisations found that HRM has an important function in the management of global teams in three essential ways. First, HRM has a crucial role in the selection and training of team members with the required skills and characteristics that facilitate leveraging diversity, such as intercultural communication, intercultural learning and managing emotions and identities. Second, HRM influences the arrangement of the physical setting to facilitate team dynamic and lastly, HRM enables global teams through the careful management of situational strength which encompasses and expands upon the team membership and situational context (Nardon 2017).

### **3.9.2.3 Electronic Human Resource Management**

One of the most innovative methods of managing employees efficiently is using the World Wide Web for HR applications. Electronic Human Resource Management (E-HRM) includes a wide range of functions, from something as simple as making a company's HR policies and procedures available through its intranet to managing the development and deployment of the company's most strategic skills (Grobler et al 2012). Strohmeier (2007) defined e-HRM as the planning, implementation and application of information technology for networking and support of at least two individuals or collective actors in their shared performance of HR activities. E-HRM is thus regarded as a way of implementing HR strategies, policies and practices in organisations through a conscious and directed support of the full use of web-based



technology channels (Poisat and Mel 2017). Grobler *et al* (2012) described five stages of web development within organisations: information publicity, database enquiry, simple HR transactions, complex HR transactions and HR workflow over the web. E-HRM can lead not only to improved services, better communication, and cost reduction, but also to the ultimate goal of making the organisation more successful and more competitive, especially when deployed globally, increasing the capacity to manage a global workforce. Thus one area where HR has an opportunity to create value is through the use of technology, especially web-based systems (Grobler et al 2012).

All organisations irrespective of their size, have a human resource department performing varied HR functions. As we move towards digitalisation, technology is making an impact and changing the way HR activities are carried out on a day-to-day basis. Today, human resource departments have extended their purview and are adopting e-HRM systems for catering to the needs of the organisation. Consequently, the role of HR professionals is also undergoing transition and the focus is shifting from 'operational' to 'strategic' aspects and leading to new challenges. A study by Gopal and Juneja (2017), which examined the status, trends, advantages, challenges and implications of e-HRM in India found that traditional HR jobs focusing around data collection, approvals and process flows have been replaced by HR technology. However, new HR jobs which focus around analytics, program management, vendor management, employee experience and productivity management are replacing existing roles (Gopal and Juneja 2017).

One stated purpose of electronic human resource management is to make the HR function more strategic. A study by Marler and Fisher (2013), which examined e-HRM in order to provide evidence-based guidance to researchers and practitioners on the relationship between e-HRM and strategic e-HRM, revealed that theoretical and empirical research in this area is still at an early stage. No empirical evidence exists showing that e-HRM predicts strategic outcomes. However, there is evidence suggesting that strategic HRM predicts e-HRM outcomes and that the relationship appears context dependent. Both SHRM and e-HRM are relatively new research

streams. Strategic HRM literature emerged about thirty years ago and early e-HRM studies began appearing around 1995. Stated organisational goals for e-HRM investments include cost reduction through streamlining HRM operations, improved efficiencies through providing better delivery of HRM services and transformation of the HRM function to a strategic business partner (Marler and Fisher 2013).

Today technology has impacted every sphere of management. Organisations are rapidly adopting e-HRM to gain a competitive advantage and cater for the needs of the HRM team (Thite et al 2012). Gopal and Juneja (2017) suggested that e-HRM is a term that identifies a form of technology that enables HR professionals to integrate an organisation's human resource strategies and processes in order to improve overall HR delivery. Simply, when HR uses the internet or related technologies to support their activities, procedures and processes, it becomes an e-HRM. In India, many medium and large companies adopted e-HRM in the last decade and also adopted various technologies to cater for their HR needs. It has been suggested that contemporary HR professionals should aim at creating a technology-based culture to create greater impact in the organisation. This will enable them to shift their roles and support the business as well as achieving the primary goal of promoting a culture of digitalisation (People Matter 2017). In many organisations in developing economies, several HRM practices have been adopted based on the experiences and initiatives of western counterparts. However, studies on developing countries show a lacuna between the linking of HR strategies with business strategies and in spite of the implementation of HRD systems, a focused and integrated approach like in the western countries is still needed (Gopal and Juneja 2017).

Many firms have adopted Information Technology enabled Human Resource Information Systems (HRIS) to acquire, store, analyse, retrieve and distribute important information relating to an organisation's human resource environment that includes within it a combination of hardware, software, people, policies, procedures and data (Wilkinson, Redman and Dundon 2017). Poisat and Mel (2017) defined HRIS as involving a systematic procedure for collecting, storing, maintaining, retrieving and validating data about an organisation's human resources, personnel activities and

organisational unit characteristics. An integrated HRIS supported by appropriate technology is essential for e-HRM to be effectively implemented and permits the acquisition, storage, analysis and flow of human resources information to achieve competitive advantage as this enables organisations to quickly respond to organisational needs through proper management of information. Thus Van Heerden, Poisat and Mey (2012) postulated that HRIS must, through an effective e-HRM platform, assist both human resources and line managers in decision making that is linked to the achievement of strategic business objectives through systematically generating accurate, timely and relevant information.

A study by Parry (2010) which examined the potential use of e-HRM as a means to increase the value of the HR function within the framework of the Resource Based View (RBV) found that e-HRM may help HR to increase its value by becoming more strategic, but found no evidence of cost saving due to reductions in HR headcount. In a similar study by Poisat and Mey (2017) which identified the major contemporary areas of e-HRM research and examined the link between e-HRM and organisational productivity, found that e-HRM led to strategic advantage, including improved productivity. This suggests that organisations are using e-HRM in order to redeploy HR practitioners from transactional work to more strategic and value added activities (Parry 2010). Thite and Kavanagah (2009) argued that e-HRM can be used for transactional activities that involve day to day transactions and record keeping; traditional HRM activities such as recruitment, selection, training, compensation and performance management and transformational activities that add value to the organisation. However, these activities may be used to manage HR across the whole employee life cycle. In addition, e-HRM can provide services directly to employees and managers through the use of self-service systems. This is whereby a large proportion of transactional activities are now delivered using a wide variety of software than HR administrators. E-HRM is regarded as having three overarching goals, namely reducing cost, improving HR services and improving strategic orientation. These goals are subject to external factors, such as the impact of globalisation, and lack of clear definition in the practice of e-HRM. It is argued that increasing the use of e-HRM allows HR professionals to improve their performance through participating more as internal consultants and focusing less on transactional and administrative

duties, thereby providing value to the organisation and improving the standing of HRM in the organisation. To this end, e-HRM is regarded as a medium which provides executive reports and summaries to help HR professionals and management in making strategic decisions (Poisat and Mel 2017).

Poisat and Mel (2017) proposed three effective types of electronic e-HRM: operational e-HRM, relational e-HRM, and transformational e-HRM. Operational e-HRM consists of the basic administrative activities of the human resource department such as payroll, personnel data management and departmental record management, which make up the bulk of the workload of the HR department. E-HRM results in cost reduction benefits and increment of efficiency. This is achieved through minimising HR staff bonded to these activities, increasing processing speed and reducing the amount of administrative work, thus freeing time for other activities (Poisat and Mel 2017). Relational e-HRM comprises those HR activities that support a mutual relationship between the human resource and other departments such as finance, marketing, administration and procurement, to mention just a few. These types of e-HRM activities include functions such as e-recruitment, e-learning and e-performance management. Relational e-HRM may provide employees and managers with remote access to HR information, thus increasing their ability to connect with other internal and external stakeholders, as well as providing individuals with the tools to perform HR activities themselves. This again loosens the involvement of HR staff, allowing them to refocus their priorities (Poisat and Mel 2017). Lastly, transformational e-HRM focuses on the strategic activities of HRM, such as organisational change processes, strategic re-orientation, strategic competence management and strategic knowledge management. By improving the strategic orientation of HRM, e-HRM has the capacity to transform the HR function. A strategic HR function links HRM activities to the strategic management process and strategic objectives of the business. This leads to an integrated set of policies and practices developed to execute the company's implicit or explicit business strategy through the management of the firm's capital (Poisat and Mel 2017). A pivotal goal of e-HRM is thus to contribute to the strategic alignment of the HRM function. In this regard, e-HRM systems provide managers with accurate and reliable data about their employees which may prove crucial in business decisions (Ghazzawi, Al-khoury and Saman 2014).

### 3.9.2.4 Talent Management

In the past ten years, Talent Management has become a key management issue. Deloitte (2010) stated that business leaders consider finding talented people to be the single most important managerial preoccupation for this decade. Increasing competition for talent has an effect on companies (Thunnissen, Boselie and Fruytier 2013). Despite the recession, many business leaders are adjusting their talent strategies to meet the upcoming talent shortages (Deloitte 2010). The increasing attention to talent acquisition and expected talent shortages are affected by several trends and factors, such as demographic changes caused by ageing and increasing mobility and globalisation. Transformational changes in business environments also affect the quality, quantity and characteristics of the talent needed. This refers to developments such as the shift from product-based to knowledge-based economies, the need for employees who can handle more complex occupations, the changes in organisational structure, for example, teamwork and network arrangement, and the growing importance of building and sustaining relationships (Thunnissen et al 2013). Schuler *et al* (2011) claimed that the success of firms today is dependent on how effectively they identify and manage the talent challenges they are confronted with and adapt to these changes as they evolve and develop. This requires the organisation to be able to get the right people or skills in the right place and at the right time (Thunnissen et al 2013).

Grobler *et al* (2012) and Gallardo-Gallardo, Thunnissen and Scullion (2019) provided that Talent Management is the sourcing, screening, selection, on boarding, retention, deployment and renewal of the workforce with analysis and planning as the adhesive, overarching ingredient to create strategic sustainable success. However, Talent Management requires an effective planning of human resources in order to keep and maintain a talent pool for competitive advantage. A study by Jooss, Burbach and Ruel (2019), which examined the use of Talent Pools (TPs) as a core Talent Management practice in multinational corporations, found that talent pools can provide a platform for the development of a strong internal talent pipeline if an appropriate Talent Management framework is in place. The results imply that talent pools need to be effectively managed and underpinned by a rigorous and strategic decision making

process to establish the necessary depth and breadth of talent within talent pools, which in turn, will ensure the overall effectiveness of the Talent Management process (Jooss et al 2019). Talent Management is the strategic management of talent flow through an entire organisation (Jooss et al 2019). To manage this flow effectively, organisations have introduced the concept of talent pools which are leveraged through a talent pipeline. This ensures the continuity of talent at all levels of an organisation (Bhattacharyya 2014).

Talent pools have been described as pools of employees that display high potential and high performance (Makela, Bjorkman and Ehrnrooth 2010). Tansley and Tietze (2013) defined the talent pool as a collective of employees with a set of specific characteristics identified by the company. Talent pools doesn't call for a quick and untimely recruitment. It allows recruitment 'ahead of the curve' rather than demand-led recruitment, thus implying a long term strategic view to Talent Management. Talent pools also assists in projecting staffing needs and managing the career development of employees towards leading roles as part of the Talent Management pipeline (Jooss et al 2019). The importance of talent pools as part of Talent Management processes has been highlighted in Collings and Mellahi (2009)'s definition of Talent Management as activities and processes that involve the systematic identification of key positions which differentially contribute to the organisation's sustainable competitive advantage, the development of a talent pool of high potential and high performing incumbents to fill these roles and the development of a differentiated architecture to facilitate filling these positions with competent incumbents and to ensure their continued commitment to the organisation. However, talent has been defined in organisational studies as those individuals who can make the greatest difference to organisational performance, either through their immediate contribution or in the longer term by demonstrating the highest levels of potential (Tansley and Tietze 2013). Given the focus on individual high performance linked with high potential, it can be argued that talent needs to be at the strategic core of the organisation, as it is a source to deliver existing high quality services and innovators of product and service portfolios. Talent Management projects capture talent not only at the individual level, but also at the collective level. Many organisations use a structured, stage-based hierarchical approach to talent advancement and there is also a strong element of 'staggered process' which is the

basis for the collective experience of Talent Management (Makela et al 2010). Being in a talent pool provides a communal experience as the talent pool is a collective of employees with particular characteristics set by the organisation and who have been recruited and identified as talented within the Talent Management review system (Tansley and Tietze 2013). Talents are seen as unique strategic resources, central to achieving sustained competitive advantage and organisations use Talent Management to capture, leverage and protect these resources (Gallardo-Gallardo et al 2019).

### **3.9.2.5 Exclusive Talent Management and Inclusive Talent Management.**

Talent Management is divided into inclusive and exclusive Talent Management, also referred as the 'soft' and 'hard' Talent Management modes respectively (Thunnissen and Buttiens 2017). Exclusive Talent Management targets the efficient management of high potentials and high performers (Gallardo-Gallardo, Dries and Gonzalez-Gruz 2013). Based on performance reviews, high performers are considered as those whose achievements are significantly more valuable than the rest of employees. Through performance assessments, employees are also distinguished as high potentials (Kravariti and Johnston 2019). Exclusive Talent Management emphasises organisational goals, which drive managerial practices to monitor employee performance and to distinguish those individuals that can increase profitability (Thunnissen and Buttiens 2017). It is operationalised via executive models that include practices like employee evaluation, performance management, employee development and deployment (Glenn 2012).

Inclusive Talent Management, on the other hand, takes the view that all employees in an organisation have special qualities, and each of them contributes to high performance in a unique manner. This becomes possible when each employee holds the position that allows their talent to be exercised. This is achieved when organisations initially identify each employee's potential and then support its development so that it can be translated into output (Kravariti and Johnston 2019). Therefore, this Talent Management approach highlights equal treatment and emphasises all employee interests through the adoption of practices such as

employee development, engagement and retention (Thunnissen and Buttiens 2017). It is implemented via the adoption of a strategic model which drives the determination of talents' needs as well as the development of practices that could satisfy those needs (Glenn 2012).

Private sector organisations mainly implement exclusive Talent Management as it involves less cost and time in order to identify, reward and retain an elite workforce (Gelens et al 2013, Netessine and Yakubovich 2012). Inclusive Talent Management appears to be a better fit for the public sector since there is an ideological predisposition to principles of egalitarianism (Thunnissen and Buttiens 2017). A study conducted by Buttiens and Hondegheem (2012), which examined Talent Management in the Flemish public sector found that Flemish government positions itself on the inclusive Talent Management realm. The view is that every employee has talents and these talents must be developed, in order to achieve organisational and individual goals. Some government institutions such as the UK civil service adopt inclusive Talent Management to provide equal development opportunities for both mid-career and senior officers since the workforce is considered a vehicle to achieve objectives related to equal treatment. Inclusive Talent Management seems to be more appropriate in this context because it supports the integration of all employees towards fulfilling common good goals (Kravariti and Johnston 2019).

Thunnissen and Buttiens (2017) stated that the majority of governments adopt a mix of Talent Management modes such as inclusive and exclusive Talent Management. The Malaysian government offers scholarships to students regardless of their background so that they can complete studies abroad before being recruited by the Malaysian public sector or private sector, yet individuals whose academic performance is higher are fast-tracked and work on high-priority government matters (Poocharoen and Lee 2013). Kravariti and Johnston (2019) also described a hybrid approach in the UK National Audit office, which invests in junior managers considered more capable of yielding benefits for the organisation, but simultaneously manages employees inclusively by providing them with developmental opportunities like mentoring. However, Dougherty and van Gelder (2015) argued that the public sector needs to



implement an inclusive Talent Management approach so that it recruits the best talents who can serve the values of the public sector. Public sector culture is inherently bureaucratic, which often restricts innovative practices like Talent Management (Troshani, Jerram, and Hill 2011). Regardless of which Talent Management mode is implemented, public sector Talent Management needs to integrate the possible societal impact into its objectives. In other words, Talent Management needs to consider the sector's core scope and common good objectives (Thunnissen, Boselie and Fruytier 2013).

### **3.9.2.6 The Alternative Workplace (Flexible Work Practices)**

Broadly defined, flexible work arrangements encompass: adjustments to the timing, location or task of work and monetary and informational support for non-work roles. Flexible work arrangements can also be categorised according to whether they are longer term, more formalised arrangements, short term or informal arrangements. Enhancing access to flexible scheduling provide organisations a competitive advantage by enhancing perceptions of anticipated organisational support, increasing work effort and positive job-related attitudes and reducing turnover intentions (Townsend, McDonald and Cathcart 2017).

### **3.9.2.7 Job Rotation**

Rubino, Perry, Milan, Spitzmueller and Zapf (2012) and Sanali *et al* (2013) argued that job rotation provides numerous benefits, which include reducing boredom, enhancing safety on the job and reducing stress. However, a study by Dhanraj and Parumasur (2014), which assessed employees' level of satisfaction with the nature of work and specific job characteristics and their perceived challenges of job rotation, revealed some doubt regarding the potential for job rotation to reduce work pressure and stress and indicated the potential of job rotation to disrupt workflow in the short-term and reduce productivity as a result of a reduction in motivation of those employees that are not rotating. Mohsan, Nawaz and Khan (2012) noted a weak negative impact of job rotation on employee motivation. In contrast, Dhanraj and Parumasur (2014) provided

that job rotation is a technique designed to enhance employees' motivation as employees do not have the same routine job day after day. However, job rotation can be defined as a process which enhances task variety by periodically shifting workers among jobs involving various tasks such that they work at different tasks in varying positions for specific periods of time (Dhanraj and Parumasur 2014). A study by Tarus (2014), which investigated job rotation as a strategy of high performance workplace in Lake Victoria North Water Services Board in Kenya, revealed that organisations can improve performance by enhancing job rotation strategy. Thus a high performance workplace is very critical to an organisation as it determines its profitability. Given the need to sustain competitive advantage and to improve organisational performance, a number of organisations have adopted job rotation as a strategy to sustain their existence in the industry (Tarus 2014). Plowman (2010) stated that when job rotation strategy is implemented in line with business goals and human resource strategies of the organisation, it aids in stimulating the human mind through a diversity of challenges. Job rotation could be used for development of knowledge and fusion in breadth and depth; and when this strategy takes effect those who have rotated are expected to master new knowledge and to integrate all facets of knowledge resources in the organisation (Tarus 2014).

In another study by Mohsan, Nawaz and Khan (2012), which examined the extent to which job rotation enhances employee motivation, commitment and job involvement in the banking sector of Pakistan and in banks in general, revealed that when employees are rotated through different jobs across various departments, they become less motivated whereas more committed and involved in their respective jobs. Mohsan *et al* (2012) argued that job rotation is used frequently in the organisation with low promotion opportunities but the final outcome of the training initiative is promotion and if the expectations of the employee are not satisfied, he/she might become unmotivated. Thus Delpasand, Raiisi, Begdely and Shahabi (2010) stated that, potential managers see rotation as a way of acquiring skills needed for promotion as it creates breadth in an individual, enables him/her to acquire best practices from a number of different tasks, and is a good way to build one's career leading to intellectual development and innovation.

### **3.9.2.8 Telecommuting**

Fay and Kline (2011) described telework as an arrangement in which employees perform at least part of their responsibilities outside their central organisation's physical boundaries and use communication technology to interact with others. According to Mamaghani (2012), telecommuting allows employees to minimise stress and cost of travel to and from work and its use has increased in the last two decades. Telecommuting reduces daily commute to and from the office, greatly lowering transportation costs and lowers the cost of maintaining a professional wardrobe. Telecommunicating also benefits employers by reducing operational and infrastructure cost (Andersen, 2011). Operational costs for working at a distance are a benefit to the institution and also provides a solution for organisations that have a lack of office space. Savings are also realised from reduced usage of utilities such as electricity, heating, etc. (Schulte 2015).

These internal Flexible Work Arrangements (FWA) meet employees' need for flexibility. FWAs have also been noted to empower employees and to reduce employee turnover and absenteeism, ultimately improving organisational learning, competitiveness and environmental adaptability (Posthuma, Campion, Masimova, and Campion 2013; Wang, Yi, Lawler, and Zhang, 2011). A study by Fonner and Roloff (2010), which examined the extent to which telework affects job satisfaction through the experiences of work-life conflict, stress due to meetings and interruptions, perceived organisational politics, and information exchange, revealed that high-intensity teleworkers are more satisfied than office-based employees and achieve significant benefits from their work arrangement, with work-life conflict being the most influential factor of job satisfaction.

One of the most obvious benefits of working remotely is the flexibility in a typical workday. An employee can begin the workday according to his/her preference and work assignments. Appointments and errands can be planned, scheduled and moved with relative ease, which reduces the requirement for leave days and unnecessary absence from work. A face-to-face office setting provides lots of opportunities for the colleague "pop-in." Sometimes such visits are welcome, but they can be very

distracting, especially when deadlines loom. Working at a distance is liberating because employees control who they contact. Phone calls and e-mails can also be screened to limit interruptions.

### **3.9.2.9 Flexi-time schedules**

Flexitime is the ability of employees to make choices influencing when, where and for how long they engage in work-related tasks. It may involve the rearrangement of working hours per day and flexi-location, giving employees the freedom to work from locations other than office premises. Other options include a compressed work week to work in or catch up on unproductive work time or reduced an employee's portfolio, whereby an employee's work responsibilities and consequently required working hours are reduced according to an employee's situation and preference (Kröll and Nüesch 2019). Benefits for the individual, organisation and society have been proven as direct consequences of the successful implementation and use of flexitime. For instance, flexitime assists employees to manage both work and family responsibilities by creating the opportunity to minimise work-family conflict and improve functioning and performance at work and at home (Hill, Erickson, Holmes, and Ferris 2010). It also has significant individual benefits, including reduced psychological stress, lower levels of depression and anxiety and increased life satisfaction (Kröll and Nüesch 2019). Flexitime is particularly beneficial for parents of young children and those responsible for the care of elders, affording them increased capacity to overlap work time effectively with unexpected child/elder care situations (Hill, Erickson, Holmes, and Ferris 2010).

## **3.10 EFFECTIVENESS OF HUMAN RESOURCE MANAGEMENT IN OBTAINING ORGANISATIONAL COMPETITIVENESS**

HRM practitioners, in a strategic context, collectively add value to the enterprise when their work helps and supports key stakeholders to achieve objectives (Amarakoon, Weerawardena and Verreynne (2016). This aligns with the views of Al-rfou and Trawneh (2010) that HRM's focus is on cost reduction through improvement of

expense control systems, quality and productivity improvement and improvement of employee skills, which affects the speed, quality and cost of work and reduces absenteeism and staff turnover. This suggests that HRM aims to achieve the needs and objectives of the organisation for competitive advantage. This study takes cognisance of the value and effects of HRM in designing an HRM framework for organisational competitiveness in South African state-owned enterprises.

### **3.10.1 The value of Sustainable Human Resource Management**

Sustainable Human Resource Management (HRM) explicitly acknowledges the shadow side of human resource management. It acknowledges the possibility of the negative impacts on human, social and ecological outcomes. Sustainable HRM represents an attempt to grapple with the relationships between HRM practices and outcomes beyond predominantly financial outcomes (Kramar 2014). Mariappanadar (2012) cited in Kramar (2014) acknowledged that there is a growing concern about the impact of HRM policies and externalities, such as the environment and social and human aspects of society. Jackson *et al* (2011) contended that HRM practices will influence the extent to which people are attracted to work for an organisation or to purchase its products or services. Furthermore, sustainable HRM fosters employee engagement in contributing to employees' wellbeing. The findings by Stankeviciute and Savaneviciene (2019) suggest that when the principles of sustainable HRM are more clearly expressed in organisations, employees experience less work-related stress, work-family conflict, and burnout. This improves employee performance and provides organisational competitiveness, since stress is a major factor that reduces employee effectiveness and ability to perform duties. Huczynski and Buchanan (2013) in Steyn (2019:103) stated that the organisational consequences of stress can be damaging and can cause high rates of absenteeism, high staff turnover rates, labour disputes and strikes.

### **3.10.2 HRM Strategic Performance in Adding Value to the Organisation**

Hiring, training and performance evaluation systems play major roles in almost all formal organisations. They have been strategically designed to meet corporate objectives and ensure business continuity (Young-Thelin and Boluk 2012). However, the findings from Ding, Kam, Zhang and Jie (2015) indicated that not all HRM practices are equally effective in building organisational competencies. Therefore, possessing human resources does not necessarily lead to a firm's success, as poor human resource management can negatively impact employees' perceptions of job satisfaction and their organisational commitment, which, in turn, will influence a firm's ability to achieve its performance goals (Ding, Kam, Zhang and Jie 2015).

Following Chandler's work in 1962 that HRM practices follow a firm's strategy, Ko and Ma (2017) argued that HRM as an organisational capability, enabling firms to realise the firm's intended strategic goals. Gradual development of firm strategy is more realistic than planning strategy and firms can form their innovation strategy by building knowledge-based HRM and participatory work practices. Although many firms pursue innovation as their strategy, successfully realising an innovation strategy requires more managerial efforts in domains such as human resource management (Ko and Ma 2017). This is supported by Winter and Jackson (2014) who suggested that commitment-based HRM helps firms to attract, retain, train and motivate knowledgeable employees and organise them in innovative ways.

### **3.10.3 The value of electronic HRM in organisations**

There are four factors which provide evidence of the value of e-HRM viz. productivity improvement, cost reductions, return on investment and better employee communications. This is achieved through a reduction in HR staff, cost savings, and less administrative burden due to automation. However, it is not possible to directly translate the time saved by e-HRM into financial benefits. E-HRM can help achieve relational goals, such as the provision of high-quality services to the internal customers of the organisation, through increasing the timeliness and improving the client-service orientation of HR professionals (Poisat and Mel 2017). Improving the level of service, reducing costs and allowing more time for higher value tasks are of great importance for the success of technology in the HR domain. It is expected that the HR function provides strategic decisions concerning the human capital management in an organisation and becomes a strategic partner in the achievement of organisational objectives. Thus investments in technology are aimed at bringing about efficiency in operational tasks (Poisat and Mel 2017). It is believed that e-HRM can promote the quality of HR functions as well as help managers to supervise employees efficiently and effectively (Yusoff, Ramayah and Haslindar 2010). In relation to the role of e-HRM and organisational productivity, it is argued that e-HRM helps to achieve the aim of globalisation of organisations, which has led to the development of terms like global HRIS, global information system (GIS) and international human resource management. (Poisat and Mel 2017). Van Heerden (2011) indicated that employees are able to work remotely, thanks to technological advancement, with HR staff able to carry out tasks from any location. This also increases flexibility and produces better results amongst staff (Poisat and Mel 2017).

### **3.10.4 The value of employee development in organisations**

Organisational performance stems from the competence people bring to the organisation, which should be aligned with the purpose and goals of the organisation to support successful strategy implementation (Boxall 2013; Campbell, Coff, Kryscynski 2012; Collings 2014). However, competence is not fixed or static and may

change owing to changes in the workplace or environment (Campbell et al. 2012; Collings 2015). These changes affect successful strategy implementation and consequently, goal achievement, otherwise known as organisational performance. Moreover, competence by itself does not achieve organisational goals. The worker embodying the competence must be 'available' to dispense the competence in pursuit of organisational goals as and when required (Wright and McMahan 2011). Availability depends on both the worker and the employer (Boxall 2013) and needs elaboration as it entails more than the mere physical presence of the essential number of persons embodying the requisite competence (Nienaber and Sewdass 2016). Thus HRM ensures that people with the right skills and competencies are available to achieve organisational performance. Availability also means that the employee must be able and willing to expend their embodied competence in pursuit of organisational goals. This ability and willingness to act depends on a host of factors, including whether the employee has the physical and mental health and the opportunity to dispense his/her competence (Nienaber and Sewdass 2016). These aspects of leveraging employee competence are supported by the HRM roles and practices such as coaching, mentoring, leadership and training to ensure that employees are fit and ready to execute duties.



Foster (2010) suggested that HRM can create value in three ways that enable organisations to create competitive advantage (Table 1).

**Table 1: Creating value through HRM**

HR operational cost reduction	People management productivity	Strategic capability
Reducing the cost of day-to-day HR service delivery either through direct HR headcount reduction or indirect cost reduction such as lower reliance on third party suppliers and technology integration.	Using technology to support people management by improving managerial accountability, freeing up HR time to support managers and providing management information that supports decision making. Technology tools can also be pivotal in supporting a restructuring of the HR function, enabling alternative organisational structures and new ways of working.	Providing the organisation with capabilities that can only be accessed through technology, for example, reinforcing the external brand of the organisation through web-recruitment, improving employee satisfaction with HR processes, providing long term strategic information and in some cases enabling a shift in the relationship between the employee and the organisation.

Source: Foster, (2010)

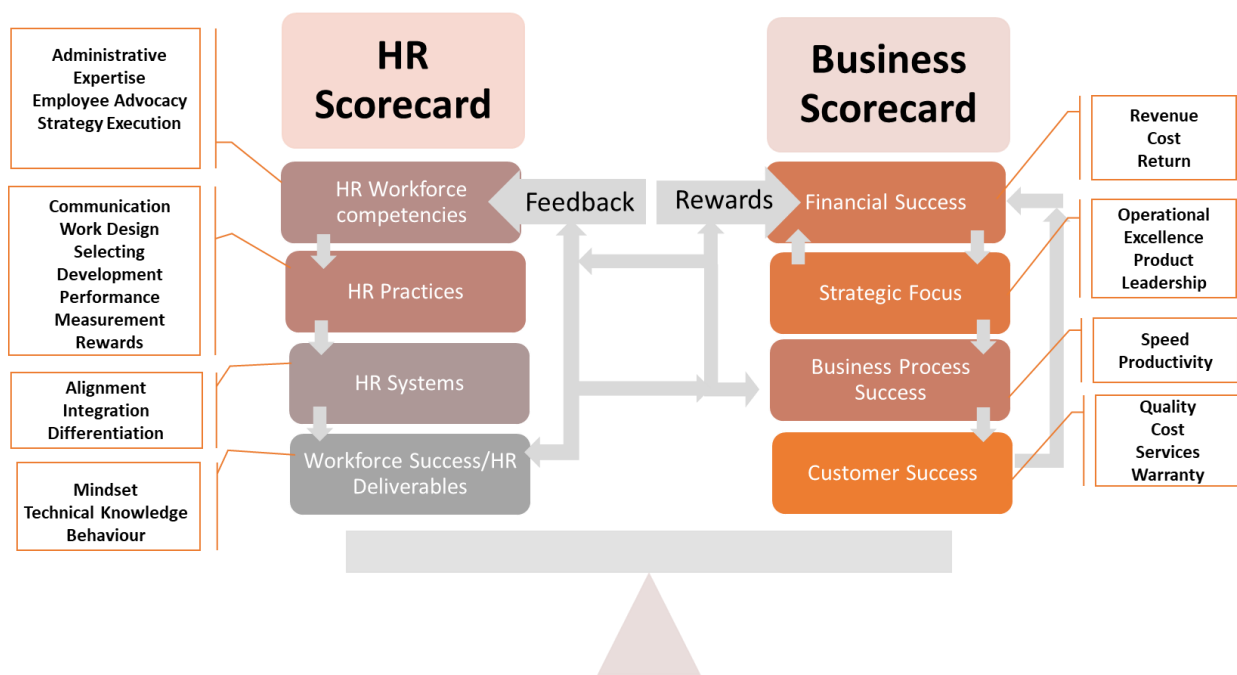
By focusing on a company's competitive advantage rather than HR operational cost reductions, e-HRM can be repositioned as an organisational enabler rather than an HR administrative tool, making the function a winning stakeholder (Grobler *et al* 2012:17). Human Resource Management contributes to organisational performance by developing many positive mediating factors including improving productivity, positive social outcomes and reduced turnover. These outcomes contribute to greater cost efficiencies through increased productivity, reduced turnover, better and lower recruitment and training costs. Therefore performing well on these social and human

indicators represents a form of strategic investment that has a positive impact on financial outcomes (Kramar 2014).

### **3.11 THE LINK BETWEEN HRM SCORECARD AND BALANCED SCORECARD IN ADDING VALUE TO THE ORGANISATION**

A recent development in the measurement area, which takes the Balanced Scorecard to the next level of sophistication, has been the arrival of the HR Scorecard. The HR Scorecard seeks to strengthen an aspect of the Balanced Scorecard on the question of how best to integrate HR roles in the company measurement of business performance. The HR Scorecard offers benefits to the organisation in many ways such as; reinforcing the distinction between HR responsibilities and HR deliverables, enabling control of costs and creation of value, assessing HR's contribution to strategy implementation and ultimately to the 'bottom line'. The HR Scorecard allows HR professionals to effectively manage their strategic responsibilities and encourages flexibility and change (Grobler et al 2012).

The diagram below shows the linkage between the HR Scorecard and the Business Scored for competitive advantage. It depicts that there are four major dimensions in the HR Scorecard, that is, the key human resource deliverables that will leverage HR's role in a company's overall strategy, the high-performance work system, the extent to which that system is aligned with the company strategy and the efficiency with which the deliverables are generated. According to Nienaber and Sewdass (2016), HR scorecards also assist managers to determine what the HR department's worth is and aid in HR monitoring and evaluation. HR scorecards focus more on the contributions of HRM to the strategic requirements of the organisation.



Source: Adapted from Grobler et al (2012:182)

**Figure 6: Linking the HR Scorecard to the Business Scorecard**

When organisations set their goals and targets, there is need for the HRM function to organise, train, motivate and hire people who can fit into the company system. The company goals cannot be achieved without human resources. Thus, the human resource management performance plays a vital role in reinforcing a company's competitive advantage. The way to measure human resource performance is an essential part in evaluating competitiveness. The level of Human Resource Management Performance (HRMP) exerts a critical influence on the competitive advantage of an enterprise (Stankevičiūtė and Savanevičienė 2019). When examining the performance of human resource management, the overall quantitative measurable indicators such as average employee income, employee productivity, and employee turnover rate, together with qualitative indicators such as morale, employee recognition, and human resources reputation should be considered (Stankevičiūtė and Savanevičienė 2019).

### **3.12 CONCLUSION**

The human resource management function plays a pivotal role in creating competitive advantage to organisations as it is able to work and support all other departments by providing people management expertise. HRM aims to create a harmonious environment by ensuring that the needs of employees and employers are met in the organisation. This can be done by increasing productivity and reducing the cost of operations and simultaneously maintaining employee wellbeing. Such benefits can be enjoyed by state-owned enterprises as they help in attracting and retaining skilled employees. This chapter discussed the innovative approaches, which aim to improve organisational competitiveness such as self-managed work teams, electronic human resource management, Talent Management and flexible work practices. If executed effectively, these innovative approaches create organisational citizenship behaviour, thereby improving overall organisational performance. Sustainable HRM, change management, employee development, human resource management strategic alignment and cost reduction were discussed in this chapter as effective elements that improve organisational effectiveness in daily operations. The linkages between the HR Scorecard and the Business Scorecard were also illustrated to show how HRM contributes to the overall performance of the business.

## **CHAPTER 4:**

### **RESEARCH METHODOLOGY**

#### **4.1 INTRODUCTION.**

This chapter presents the methodological approach used to conduct the research and explain the research experiences. It describes the qualitative approach and explains why it was appropriate for this study. The instruments that were used for data collection and analysis of data are explained in full detail. The steps that taken for establishing the authenticity of this study, such as pre-testing of the interview questions and determining the trustworthiness, are described. Lastly, the section describes the ethical issues underpinning the research such as obtaining informed consent from the participants, avoiding the manipulation of participants and ensuring confidentiality and anonymity.

#### **4.2 RESEARCH PROCESS**

Du Plooy-Cilliers, Davis and Bezuidenhout (2014:10) describe research as a 'recursive process' because it starts with a question, goes through the process of finding answers, returns to answer the initial question, which then leads to further questions. Malina, Norreklit and Selto (2011:66) postulated that research is a learning process and every assignment should educate both the researcher and the readers. Bell (1996:2) explains that research is done to resolve problems and is an orderly way of asking questions. However, research involves rules and procedures in obtaining relevant data. The research process that this researcher followed is the one proposed by Du Plooy-Cilliers et al. (2014:10), namely problem identification; reading the literature; providing research methodologies; data collection, data analyses and evaluation; and finally providing the conclusion. The overall aim of this research is to examine the role of human resource management in creating organisational competitiveness and examining the challenges faced by HRM in carrying out its duties in South African state-owned enterprises.

Identification of the research problem is a very important stage which determines the worthiness of the research project. The problem identified in this study is the shortage of skilled labour, lack of employee motivation and brain drain in a selected South African state-owned enterprise. Working on this project, the researcher has first-hand

information of the causes and consequences of these labour problems and the researcher found some employee dissatisfaction regarding people management issues.

Regarding the literature review which is the second step in the research process, the researcher studied various articles, journals, textbooks and newspapers regarding research on HRM matters such as the role of HRM, the benefits of HRM and the challenges facing HRM in organisations. Various HRM theories on employee management were used, namely the Ulrich competitive model of HRM roles, Resource Based View, Dynamic Capabilities theory, Human Capital theory, the behavioural perspective and Cybernetic systems theory.

The third and further steps which involve issues around research methodology is the most important part as it includes the research design of the study. It provides strategies on how to address the research problems, procedures in collecting and analysing data and the suitable research instruments that the research has used. In this study, the qualitative approach was used as it explains in detail the real phenomenon of the study by making use of interviews.

#### **4.3 RESEARCH DESIGN**

Research design is a plan or blueprint of how one intends to conduct the research. Research designs can be distinguished from one another in terms of two aspects, namely the naturalness of the research setting and the degree of control that the researcher has (Coetzee and Schreuder 2016:32). Research designs are logical blueprints. The logic involves the links among the research questions, the data to be collected and the strategies for analyzing the data so that a study's findings will address the intended research questions. The logic also helps to strengthen the validity of a study, including its accuracy (Yin 2011:75-76). A research design provides a framework for the collection and analysis of data. A choice of research design reflects decisions about the priority being given to a range of dimensions of the research process. Such dimensions can include expressing causal connections between variables and understanding; understanding behaviour and its meaning in a specific social context; and generalising to larger groups of individuals than those being investigated (Bryman and Bell 2011:40).

There are two main paradigms to research: the positivist which support the quantitative approach and the interpretivist which support the qualitative approach. The positivist approach underlies the natural scientific method in the human behavioural approach and holds that research must be limited to what one can observe and measure objectively: that which exists independently of the feelings and opinions of individuals (Welman, Kruger and Mitchell 2005:6). The positivist paradigm, based on the verification of hypotheses, seeks to explain laws of cause-and-effect, patterns and generalizations using a natural scientific approach that relies on quantitative propositions that can be expressed in a statistical formula. The positivist paradigm consequently assumes that the observer and the object of observation are distinct, detached and non-interactive as per the rules of the natural scientists (Major, 2017: 173). On the other hand, a qualitative approach focuses mainly on the experiences of human behaviour. The qualitative approach is concerned with understanding human behaviour from the perspectives of the people involved (Welman, et al. 2005:6). Within quantitative research, there are basically three types of research, namely non-experimental, experimental and quasi-experimental research: whilst within qualitative research, the most common types of research involve case study research, ethnography, phenomenological research and narrative research (Coetzee and Schreuder 2016:34). Thus qualitative approach falls under interpretivist which is postured in direct opposition to the positivist paradigm where the latter assumes that the rules of natural science are applicable to all aspects in the study of social science. Interpretivist purist argue otherwise stating that social reality is unlike physical phenomena due to its subjectivity, multiplicity and it is socially constructed hence requiring a qualitative approach to its study (Tuli, 2010: 98).

Quantitative research can be construed as a research strategy that emphasises quantification in the collection and analysis of data, which entails a deductive approach to the relationship between theory and research, in which the accent is placed on the testing of theories. On the other hand, qualitative research can be construed as a research strategy that emphasises words rather than quantification in the collection and analysis of data. It emphasises an inductive approach to the relationship between theory and research, in which the emphasis is placed on the generation of theories (Bryman and Bell 2011:26-27). Both quantitative and qualitative research aim to achieve reliable and valid results. Quantitative research, however, focus more on

reliability, which refers to the consistent and stable measurement of data, as well as replicability. As far as qualitative data is concerned, validity is considered as being more important because the objective of the study must be representative of what the study is investigating (Welman et al. 2005:9).

The study was based on qualitative research, which Du Plooy-Cilliers, Davis and Bezuidenhout (2014:173) described as dealing with the underlying qualities of subjective experiences and meanings that are associated with phenomena. Qualitative method is an umbrella concept that covers interviews (group or one-on-one), participant observation (in person or on-line) and document analysis (paper or electronic) (Tracy 2013:28-29). Denzin and Lincoln (2003) stated that qualitative research is descriptive research that is focused on observing and describing events as they occur, with the goal of capturing all of the richness of everyday behaviour and with the hope of discovering and understanding phenomena that might have been missed if only more cursory examinations had been used. Stangor (2011:15) explains that the data that form the basis of qualitative research are in their original form, for instance descriptive narratives such as field notes and audios or video recordings. Qualitative research was suitable for this study as it sought to answer questions such as how HRM benefits the organisation; what is being done by HRM professionals in achieving organisational competitiveness; and what organisational challenges exist, if any, in implementing HRM roles in a selected state-owned enterprise. Thus, Neuman (2011:424) stated that qualitative research provides a thick description of subjective experiences and meanings. Furthermore, qualitative research allowed this study to use a case study approach which involves an empirical investigation of a particular contemporary phenomenon within its real-life context using multiple sources of evidence. The study was able to use data collection techniques such as interviews. However, the cross-sectional method was employed as there was no recurrence of data collection.

#### **4.3.1 Nature of study**

This study is based on descriptive research. The purpose of descriptive research is to describe the characteristics of phenomena, relations between variables or relationships between phenomena as accurately as possible (Du Plooy-Cilliers 2014:75-76). According to Kumar (2011:10), a descriptive study aims to describe a



situation, problem or phenomenon systematically; or provide information about certain phenomena, such as the living conditions of a community. However, this study described and provided information about the roles performed by the HRM practitioners and the challenges faced in providing competitive advantage to the organisation.

#### **4.3.2. Data source**

There are two main sources of data, which are primary data and secondary data. Primary data is data that is recorded for the first time at source and with a specific purpose in mind. Secondary data is data that already exists in a processed format and was previously collected and processed by others for the purpose other than the problem at hand (Wegner 2012:14). In addition, Wegner (2012:14) stated that primary data is obtained through surveys and secondary data can be in the form of monthly stock reports, absenteeism reports or employment statistics from Stats SA. This study made use of both primary and secondary data. Primary data was obtained through interviews that the researcher conducted with HRM practitioners and departmental heads and supervisors. Secondary data was obtained from Mintek internal news reports such as annual reports and newsletters.

#### **4.4 TARGET POPULATION**

Bryman and Bell (2011:176) defined the population as the universe of units from which the sample is to be selected. The population is the study object and consists of individuals, groups, organisations, human products and events, or the conditions to which they are exposed (Welman et al. 2005:52). The target population was South African state-owned enterprises situated in Johannesburg. Furthermore, the targeted groups in the state-owned enterprise were the human resources practitioners and the departmental heads and supervisors.

#### **4.5. SAMPLING**

A sample is the segment of the population that is selected for investigation. It is a subset of the population (Bryman and Bell 2011:176). Wegner (2012:153) states that a sample must be representative of the target population if it is to produce valid and reliable estimates of the population from which it was drawn. There are two basic methods of sampling, namely probability and non-probability sampling methods.

According to Wegner (2012:154), probability-based sampling includes any selection method where the sample members are selected from the target population on a purely random basis. Thus, Coetzee and Schreuder (2016:35) stated that a random sample implies that each and every member of the group or organisation has an equal chance of being included in the sample, therefore requiring larger samples. In non-probability sampling, by contrast, one cannot specify this probability. Elements which have a chance of being included have a probability that exceeds zero (Welman et al. 2005:56). Therefore, random sampling is not necessary, and much smaller sample sizes are also used (Coetzee and Schreuder 2016:35).

#### **4.5.1 Sampling method**

Non-probability sampling was used in this study. Wegner (2012:153) iterates that Non-probability sampling is any sampling method where the sample members are not selected randomly. Non-probability sampling was essential for this study as it is suitable for a qualitative research study where the aim is not necessarily to generalise the research findings, but rather to gain a deeper understanding of a certain variable or situation (Coetzee and Schreuder 2016:35). This enabled the study to select participants who are knowledgeable about the organisation. The study used a purposive sampling technique. Quinlan, Babin, Carr, Griffin and Zikmund (2015:181) described purposive sampling as a technique where the researcher makes a judgement about who to include in the sample. Purposive sampling was applied to both HRM practitioners and departmental managers in the selected South African state-owned enterprise. HRM practitioners are suitable to participate in this study as they have the responsibility of formulating HRM policies and strategies, and departmental managers are directly and indirectly affected by HRM policies and strategies in their sections.

#### **4.5.2 Sampling frame**

Before a sample of the population for analysis has been drawn, there is need to get clarity about the units of analysis. Welman et al. (2005:57) stated that a sampling frame is a complete list in which each unit of analysis is mentioned only once. A list of elements from which the sample may be drawn is a sampling frame. The sampling frame is also called the working population because these units will eventually provide

the units involved in analysis (Quinlan, Babin, Carr, Griffin and Zikmund 2015:171). Neuman (2011) provided examples of sampling frames as things such as a telephone directory, a list of customers, tax records, driver's licence records, a mailing list and so forth. The sampling frame for this study was a list of 14 divisions which include technical and support divisions at Mintek.

#### **4.5.3 Sample size**

The researcher purposively selected 24 participants who are employed by the Mintek Company in various technical and support divisions who could be described as skilled employees. This number was based on the list of 14 Mintek divisions from which HR professionals and, divisional heads and supervisors were purposively selected. For the purposes of this study, these highly skilled people have a minimum of a bachelor's degree in their areas of expertise. The researcher selected individuals who were presumed to add value to the study. They were selected because of their knowledge of the job, knowledge of the organisation, as well as their interest in participating in this study.

#### **4.6 MEASURING INSTRUMENTS (INTERVIEWS)**

Du Plooy-Cilliers et al. (2014:188) state that an in-depth interview is a qualitative data collection method which allows the researcher to pose questions to participants with the aim of learning more about their views, opinions and beliefs about a specific phenomenon. One advantage of in-person interviews is that they may allow the researcher to develop a close rapport and sense of trust with the respondent. This may motivate the respondent to continue with the interview and may lead to more honest and open responding (Stangor 2011:107). The study used semi-structured interviews. Shohel, Jia, Jahan and Roy (2015: 102) describes semi-structured interviews as a method where the interviewer has devised a range of questions prior to the interview, but retains the facility to adjust the order of the questions based on the development of the interview process, add further questions to seek clarity, rephrase questions to help the interview understand its meaning or ignore questions considered inappropriate to an interviewee. Furthermore, semi-structured interviews are likely to tap both content and emotional levels. Bell (2011:205) describes semi-structured interviews as techniques of outlining questions on fairly specific topics to be covered, providing the interviewee a great deal of leeway on how to reply. This allowed

the researcher to ask further questions in response to what can be seen as significant replies. The interview questions were drafted by the researcher being guided by the research objectives and some of the interview questions were adapted from previous studies with similar research objectives.

The researcher interviewed 24 individuals who were willing to participate in this study and able to meet the research requirement of being in a supervisory position, which was the selection criteria. The duration of each interview session was between 25 to 30 minutes. The interviews were conducted on the company premises with appointments, during free times. The semi-structured interview design was provided with two sets of questions directed to the human resources professionals and divisional heads and supervisors. There were 10 questions directed to human resources professionals and 10 questions directed to divisional heads and supervisors.

#### **4. 7 DATA ANALYSIS.**

After the data have been collected, the researcher has to make some sense out of it (Coetzee and Schreuder 2016:38). This calls for data analysis in order to understand the meaning of data that has been collected. De Vos, Strydom, Fouche and Delport (2011:397) describe qualitative data analysis as the process of bringing order, structure and meaning to the mass of data. However, there are many methods that are used to analyse data, depending on the nature of the study. Despite these numerous methods of analysis, the process typically involves reducing the volume of raw information; sifting significance from trivia; identifying significant patterns; and constructing a framework for communicating the essence of what the data reveals (De Vos et al. 2011:397).

##### **4.7.1 Qualitative content analysis**

According to Du Plooy-Cilliers et al. (2014:234), qualitative content analysis is used to explore and identify overt themes and patterns embedded in a particular text. Qualitative content analysis pays attention to unique themes that illustrate the range of the meanings of the phenomenon rather than the statistical significance of the occurrence of particular texts or concepts (Zhang and Wildemuth 2009:319). Content

analysis can be described as a quantitative analysis of qualitative data. The basic technique involves counting the frequencies and sequencing of particular words, phrases or concepts in order to identify keywords or themes (Welman et al. 2005:220). Qualitative content analysis can be conducted either inductively or deductively. When conducting a deductive qualitative content analysis, a conceptual framework derived from applicable theories is used to identify several specific codes within the text which are grouped into several specific themes. These themes are then linked to the literature and the theoretical framework described in the study (Du Plooy-Cilliers et al. (2014:234).

Zhang and Wildemuth (2009:309-311) outlined eight steps in the process of qualitative content analysis as follows:

- Prepare the data,
- Define the coding unit to be analysed,
- Develop categories and a coding scheme or conceptual framework,
- Test the coding scheme on a sample text,
- Code all text,
- Assess the coding consistency,
- Draw conclusion from the coded data, and
- Report the methods and findings.

#### **4.7.2 Discourse analysis**

Discourse analysis has a wide range of applications in different disciplines. The term 'discourse' simply means a particular way in which language, both spoken and written, is used to express certain thoughts and ideas (Du Plooy-Cilliers et al. 2014:243). According to Jorgensen and Phillips (2002:1), discourse analysis is a large interdisciplinary field of social constructionist discourse. This means it looks at language and determines how ideas are conveyed to construct realities. Maree (2007:102) defines discourse analysis as a way to understand the meaning of the spoken and written word. Thus, it is used to make sense of the ways in which, for example, the media conveys meaning and how the media constructs different aspects of reality, such as what it means to be successful (Du Plooy-Cilliers et al. 2014:243). Discourse analysis reveals the discursive sources of power, dominance, inequality and bias, as well as how these sources are initiated, maintained, reproduced and

transformed within specific social, economic, political and historical contexts (Maree 2007:102). However, discourse analysis is best used when the study aims to expose forms of discrimination and prejudice in texts.

#### **4.7.3 Multimodal conversational analysis**

According to Norris (2004), multimodal conversational analysis can be seen as using a set of communicative modes such as proxemics, postures, head movements, gestures, gaze and spoken language as sets of representation to understand the meaning of both implied and overt messages. Similarly, Aguinaldo (2012) stated that conversational analysis is the study of actions in talk and other modalities such as gesture, gaze and bodily deportment in interaction. This type of analysis is an outflow of the social semiotic analysis methodology specifically concerned with human movement and interaction between parties. This method of analysis attempts to take body language and other modes of expression used as part of a conversation into account (Du Plooy-Cilliers et al. 2014:246). This is the most effective method of analysis when a study deals with non-verbal cues as a significant aspect of the data since attitude is sometimes clearly communicated by way of body language.

#### **4.7.4 Thematic analysis**

According to Braun and Clarke (2006), thematic analysis is a method that is used to identify, analyse and report patterns within data, whilst it minimally organizes and describes the data set in rich detail. Thematic analysis is a qualitative approach to examining research data in order to understand and represent the experiences of people as they encounter, engage with, and live those experiences (Denzin and Lincoln, 2005; Elliott et al. 1999 cited in Bowen, Edwards, Simbayi and Cattell 2013). Thematic analysis is a process of data reduction by means of identifying themes. In thematic coding, the researcher often uses deductive coding by using a list of themes known or anticipated to be found in the data, usually derived from the literature review (Du Plooy-Cilliers et al. 2014:241). Moreover, Braun and Clarke (2006) outlined six steps of thematic analysis as follows:

- Becoming familiar with the data,
- Generating initials codes,
- Grouping like-codes into themes,

- Reviewing themes,
- defining and naming themes, and
- Writing a report of the findings.

The study used the thematic analysis method as it assists in describing the dataset in rich detail as described by Aguinaldo (2012): that thematic analysis reduces the sheer bulk of qualitative data gained from research interviews into categories that represent the dataset or some aspect of it. Furthermore, Boyatzis (1998) cited in Braun and Clarke (2006) commented that thematic analysis interprets various aspects of the research topic. Hence, thematic analysis was chosen as it is used to explore the qualitative verbatim comments offered by survey participants (Bowen, Edwards, Simbayi and Cattell 2013). Furthermore, the data was coded using nVivo. With purpose-built tools for classifying, sorting and arranging information, NVivo helps a researcher manage and organize data and facilitates the analysis of data, identification of themes, gleaning insight and developing conclusions. Critically, NVivo requires the researcher to code the data and to develop themes or categories (Sotiriadou, Brouwers and Le 2014).

NVivo is a software for a qualitative study which support the storing, analysis, coding and visual representation of rich text files. In this study, NVivo created documents from the gathered data, edited, explored, searched for associations and data relationships, and generation of nodes within the data. These techniques permitted the study to obtain different perspectives on emerging themes and sub-themes. The use of Nvivo software in this study allowed coding of the data, extraction and categorisation of passages of text. Such a process involved sectioning data and ascribing data into distinct groups; and these categories are stored as nodes within the Nvivo database. These nodes are used to contain the research quotes and extracts that transmit to a specific theme. In discovering emerging themes or relationships between different nodes, Nvivo was also used to create numerous visualisations in indicating and exploring such relationships. For this specific research study, the techniques that were used in formulating and validating the themes and sub-themes comprised of Word Trees, Cluster Analysis, Tree Maps and Word Clouds.

#### **4.8 PRE-TESTING**

The researcher spent a great deal of time and effort in designing the interview questions. Du Plooy-Cilliers et al. (2014:15) asserted that it is therefore important to pre-test this instrument before data collection actually begins. Pre-testing helped the researcher to determine whether there are any biased, jargon or ambiguous questions in the interview guide. In testing interviews questions, persistent problems may emerge after few interviews have been conducted, and these can then be addressed (Bryman and Bell 2011:262). The interview questions were tested on 2 HR professionals and 2 engineers in the technical division. After the questions were pre-tested, no changes were made to the original questions as the questions seemed relevant to answering the research questions. However, the pre-test interviews were not part of the sample.

#### **4.9 DELIMITATIONS / SCOPE**

The study was limited to one state-owned enterprise (Mintek) based in the Gauteng province where the researcher resides for easy movement, with both males and females selected to be interviewed. Mintek was chosen for the study as it is a large and dominant research council which competes with other research council such as Council for Geoscience, Council for Scientific and Industrial Research and Southern African Institute of Mining and Metallurgy.

#### **4.10. VALIDITY AND RELIABILITY / TRUSTWORTHINESS**

Lincoln and Guba (1985) cited in Du Plooy-Cilliers et al. (2014:258) stated that trustworthiness is divided into four criteria, namely credibility, transferability, dependability and confirmability. To ensure the credibility of the findings, the study considered the research ethics and submitted the research findings to the members who studied it for confirmation of results, who are HRM professionals and departmental managers. This is what Bryman and Bell (2011:396) termed respondent validation. Transferability is the ability of the findings to be applied to a similar situation and delivering similar results (Du Plooy-Cilliers et al.2014:258). In this regard, the study produced rich accounts of the details on the HRM matters under study such as the HRM roles, challenges facing HR professionals and the benefits of HRM to the organisation. As encouraged by Geertz (1973), qualitative researchers should



produce a 'thick description' of the details (Bryman and Bell 2011:398). To ensure the quality of the process that happened from the data collection method to data analysis, which is dependability, the researcher kept records of all stages in the research process for auditing. The records of stages included problem formulation, selection of the participants and data analysis decisions. According to Du Plooy-Cilliers et al. (2014:259), confirmability refers to how well the data collected supports the findings and interpretations of the researcher. While it is recognised that complete objectivity is impossible in business research (Bryman and Bell 2011:398), the researcher acted in good faith and did not allow personal values to sway the conduct of the research and the findings that this study obtained.

#### **4.11. ETHICAL CONSIDERATIONS**

A researcher who acts with integrity adheres to ethical principles and professional standards that are essential for practising research in a possible way. It is a commitment to act in a trustworthy and respectful way, even in the face of adversity (Du Plooy-Cilliers et al. 2014:262). According to Tracy (2013:242), practising ethics in qualitative research requires consideration of procedural rules, the specific ethics of the context under study and the ethics of working closely and intimately with research participants. In ensuring that this study meets the ethical consideration, the following factors were considered:

##### **4.11.1. Approval to conduct research**

The researcher requested permission to conduct research from Mintek. An email requesting approval was sent to the Acting Human Resource Manager, The Head of Organisational Development, Training and Development and Human Resource Planning before commencing the study. The researcher was granted permission by means of a signed formal letter. Mintek did not require the researcher to provide the research questions before granting permission.

The Durban University of Technology (DUT) requires all post-graduate students to complete all research documentation before commencing the field work research. The documentation includes having a completed and approved research proposal by the Faculty Research Committee (FRC) and the Institutional Research Ethics Committee

(IREC) before commencing the research. IREC provided the researcher with the ethical clearance letter for the commencement of the research.

#### **4.11.2. Informed consent**

Prospective research participants should be given as much information as might be needed to make an informed decision about whether or not they wish to participate in a study. The principles of informed consent also entail the implication that even when people know they are being asked to participate in research, they should be fully informed about the research process (Bryman and Bell 2011:133). The DUT provided the researcher with the letter that is attached to the consent letter with the following:

- Description of the nature of the study;
- Potential risks arising from participation;
- A guarantee of confidentiality and anonymity;
- A statement notifying that participation is voluntary and can be withdrawn anytime without penalty or prejudice;
- Contact details of the researcher and the supervisor;
- A statement indicating willingness to make the results of the study available on completion, should they be requested; and
- A place for the participant's signature, indicating consent to participate in the study.

Hence the researcher elaborated on the above points to the participants before they contributed to this study. The individuals who were willing to participate signed the consent form before the commencement of the interviews. Moreover, the participants were informed about the use of the tape recorder. However, some participants rejected the recorder and the researcher resorted to taking down notes during the interview. For those who accepted, the recorder was used during the interview. Bryman and Bell (2011:133) state that informed consent means that respondents should be told, normally at the beginning of the interview, if observation techniques or recording equipment are to be used.

#### **4.11.3 Confidentiality and anonymity**

Respondents were not be asked to provide their names during interview sessions. When the researcher promises anonymity, they undertake that they will not record the names at any stage of the research process and that they will not be able to match their identity to their research responses in any way (Du Plooy-Cilliers et al 2014:267). Additionally, there was an assurance to both HRM professionals and departmental/section leaders of no traceability of the information provided. When one assures confidentiality, one undertakes that, even though one will be able to match the participants' identities to their research responses, that information will be known only to the researcher and will be made available to no one else (Du Plooy-Cilliers et al. 2014:267-268).

#### **4.12 LIMITATIONS OF THE STUDY**

Accessibility to the organisation under study was one of the limitations which the researcher faced as there is too much bureaucracy in state-owned enterprises. It took some time for the permission to be granted. Towards the end of the research process, the organisation embarked on a restructuring process which resulted in other targeted HR respondents losing their jobs. Some participants developed a fear of participating as they were afraid of being exposed and some rejected the interview recording. However, the researcher assured participants of anonymity; that their names cannot be traced; and the researcher also used interview transcripts for participants who rejected the recording.

#### **4.13 CONCLUSION**

This chapter provided an account of the qualitative research methodology. The research approach, target population and sampling technique used were also discussed. The purposive sampling procedure resulted in 24 interviews being conducted. The chapter further describes the credibility, transferability, dependability and confirmability aspects of the study. However, ethical considerations and data collection methods were clearly discussed. The next chapter provides the results of the qualitative analysis obtained from the nVivo software, followed by the discussion of the key findings of the study.

## **CHAPTER 5: DATA ANALYSIS AND DISCUSSION**

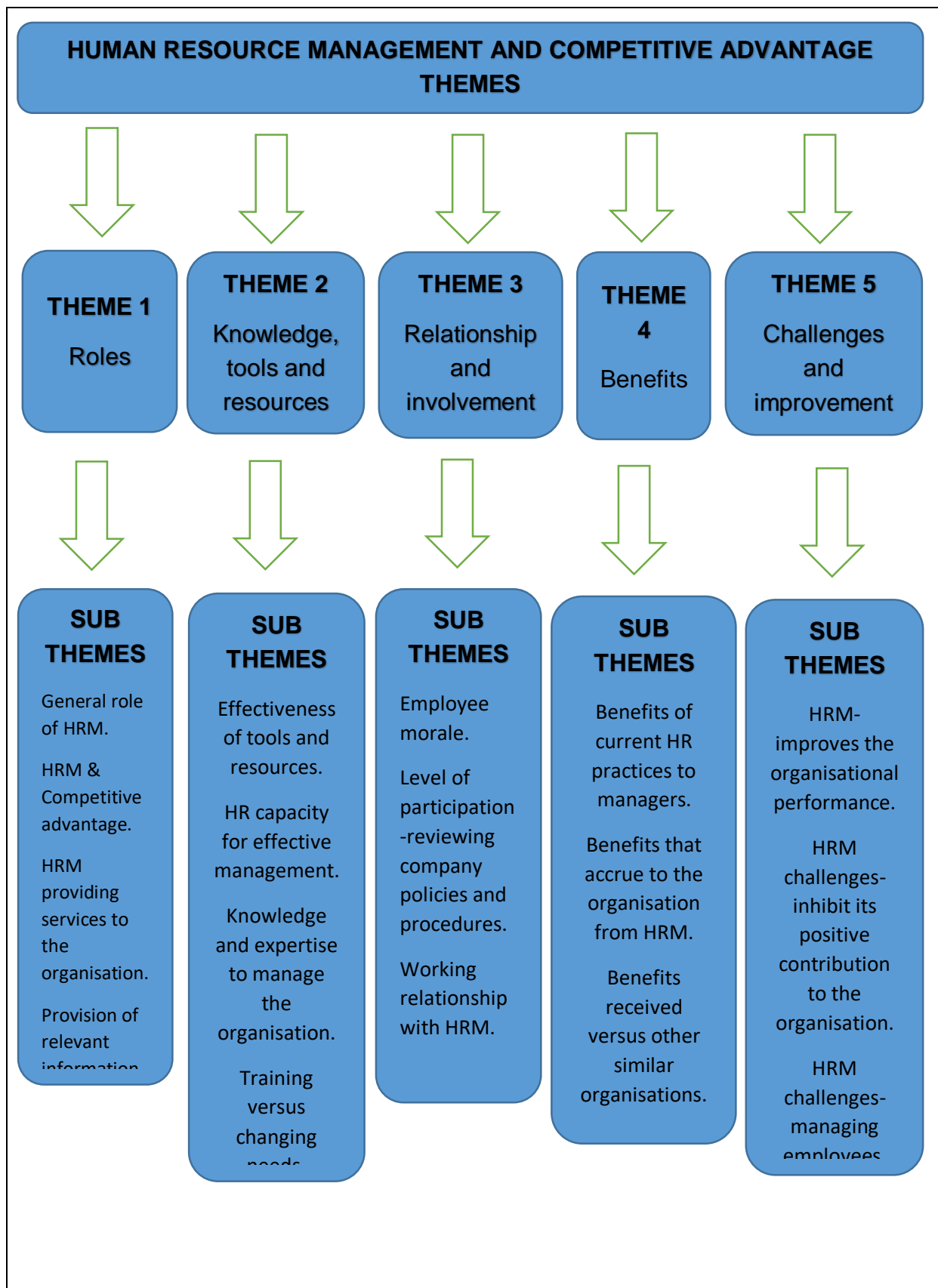
### **5.1 INTRODUCTION**

The study makes a strong contribution to a prominent industry from an HR perspective. Human Resources is often a neglected area of study from the angle of organisational value and competitiveness. The study shows that currently, HR is not ideally where it should be and is lagging in terms of effectiveness due to various factors as shown in this chapter. Employee retention and inefficient processes remain visible which impact on operations and recruitment. The lack of technology further compounds this. HR should become more streamlined and seen as a strategic arm of the organisation. Ideally, HR strategy should be aligned to business strategy and that is something this study would propose as part of its model.

### **5.2 THEMES AND SUB-THEMES**

In order to get an understanding of the roles of human resource management in creating a competitive advantage for state-owned enterprises in South Africa, the analysis has generated five key themes: Roles; Knowledge, Tools and Resources; Relationships and involvement; Benefits; and Challenges and improvement. However, each theme is informed by a plethora of sub-themes as shown in the diagram below.

**Figure 7. Major Themes and Sub-Themes**



Source: Author's compilation

As depicted in the above diagram, the role of human resource management in creating organisational competitiveness is assessed from the perspectives of five themes. The following section will discuss each theme in detail.

### **Theme One - competitive advantage in relation to the role of HRM**

The role of HRM is the main theme emerging from the literature review and addresses the responsibilities of human resource professionals in creating a competitive advantage in a state-owned enterprise. The theme is also informed by the following four sub-themes:

*Sub-theme one:* General role of HRM.

*Sub-theme two:* HRM & Competitive advantage.

*Sub-theme three:* HRM providing services to the organisation.

*Sub-theme four:* Provision of relevant information.

### **Theme Two - competitive advantage in relation to HRM knowledge, tools and resources**

Organisational competitiveness in relation to HRM knowledge, tools and resources also emerged as a major theme. This theme is at the core of the HRM professional's ability to serve the organisation. The literature reviews that HRM provides competitive advantage through effective people management techniques and skills. This theme was informed by four sub-themes:

*Sub-theme one:* Effectiveness of tools and resources.

*Sub-theme two:* HR capacity for effective management.

*Sub-theme three:* Knowledge and expertise to manage the organisation.

*Sub-theme four:* Training versus changing needs.

### **Theme Three - competitive advantage in relation to HRM relationships and involvement**

HRM relationships and involvement emerged as a primary theme due to its importance in defining the level of HRM participation in the decision-making of the organisation and how it relates with other departments. The theme was further divided into three sub-themes as follows:

*Sub-theme one:* Employee morale.

*Sub-theme two:* Level of participation-reviewing policies and procedures.

*Sub-theme three:* Working relationship with HRM.

#### **Theme Four - competitive advantage in relation to benefits**

Competitive advantage in relation to the benefits received by employees in the organisation and human resource management strategies in supporting the organisation has become a primary theme. The literature disclosed that HRM professionals are custodians of labour, responsible for employee motivation through various HRM strategies. This theme is informed by the three sub-themes shown below:

*Sub-theme one:* Benefits of current HR practices to managers.

*Sub-theme two:* Benefits that accrue to the organisation from HRM.

*Sub-theme three:* Benefits received versus other similar organisations.

#### **Theme Five – competitive advantage in relation to human resource management challenges and improvement**

HRM challenges and improvement emerged as a main theme due to its importance in showing the obstacles faced by HRM professionals in creating organisational competitiveness in a state-owned enterprise. This theme is also informed by three sub-themes:

*Sub-theme one:* HRM-improve the organisational performance.

*Sub-theme two:* HRM challenges-inhibit its positive contribution.

*Sub-theme three:* HRM challenges-managing employees.

### **5.3 THEME 1: ROLE OF HRM**

This theme focuses primarily on the general roles of HR, the provision of services to the organisation, information to employees, as well as organisational competitiveness. The HRM function has the role of ensuring that the organisation is performing effectively through the management of people to achieve competitive advantage. The following sub-theme was established.

### **5.3.1 GENERAL ROLE OF HRM**

It was important to first establish the general role of HR at the organisation. This emerged as a major theme in data narratives and notes: that HRM plays various important activities to ensure the effective performance of the organisation for competitive advantage. Thus, recruitment and induction of new employees, staff benefits which involves training and educational support, staff welfare, communication with other departments, monitoring of employee performance through performance management, and participation in change processes are reviewed as roles played by HRM in creating organisational competitiveness. Additionally, Chen and Huang (2009) cited in Donate, Pena and Sanchez de Pablo (2016) highlighted that HRM roles are the key important elements that are able to shape employee skills and behaviour to achieve the objectives of the enterprises.

#### **5.3.1.2 Recruitment**

Recruitment is one of the primary roles played by the human resource function in the organisation. This study reveals that human resource management professionals at Mintek participate immensely in employee recruitment as supported by the cluster analysis above. There were 14 respondents that concurred that a key role of HR is in recruitment. However, this is not an unusual finding as such is the case with many other organisations. The findings are supported by the following respondents who conveyed the same:

**Participant number 1**

*They are responsible for recruitment,*

**Participant number 11**

*They also do recruitment and take you through the process of selection.*

**Participant number 12**

*Human Resource people are responsible for recruitment and selection, they do interviews,*

**Participant number 13**

*They are also involved in the recruitment of employees to an extent because we set up the selection guidelines ourselves.*

**Participant number 5**

*They assist with recruitment of personnel, if we want somebody they are quick to assist by sending out an advert. But we specify the qualities of the person we need then they take over the process.*



**Participant number 8**

*The first role is talent acquisition which is the recruitment. We rely 100 percent on HR to do the recruitment process for us because we give them the specifications of what we need but the idea of searching for candidates, making the job specification presentable.*

Coetzee and Schreuder (2016:196) argue that the recruitment process is informed by the human resource management's efforts in attracting candidates with the right qualifications, knowledge, skills and abilities to serve the organisation. Thus through recruitment efforts by HRM professionals at Mintek, some positions are able to be filled with skilled employees to ensure continuous production in the organisation. Alfes et al. (2010) also reveal that HR has a role of ensuring the proper recruitment of employees who are willing and able to support the organisation.

**5.3.1.3 Staff benefits**

Providing staff benefits was one of the key roles played by HR in trying to motivate employees and create a competitive organisation. The data narratives revealed that HRM assist on administering employee benefits such as remuneration, training and development and bringing qualified people to the organisation through internships. This is evident in the subthemes below.

- **Benefits and remuneration**

HR ensured the administration of staff benefits such as the management of leave days as well as ensuring that employees are being paid on time. This entails that basic human resources requirements that enable employees to fulfil their personal goals are being considered as a source of competitive advantage, as supported by the following respondents:

**Participant number 10**

*They deal with medical aid, leave,*

**Participant number 3**

*administration part which involve management of leave days.*

*In terms of salary administration issues we go through the HR*

**Participant number 7**

*They do the administrative part of the salaries and leave and the time keeping.*

These findings are supported by Gao et al. (2016) who revealed that HR professionals have a role of administering company incentives in order to release the potential of knowledge workers in the organisation. Thus, with the incentives provided, employees tend to improve productivity in the organisation and reduce trade union visibility in the organisation.

- **Training and development**

Training and employee development are also part of the human resource management roles. This includes organising training and development programmes in liaison with Departmental managers. Training programmes also seek to provide soft skills training such as computer skills and project management. This implies that Mintek is a learning organisation which strives to produce quality services by imparting skills to its employees. This was revealed by the responses below.

**Participant number 1**

*training*

*So we have a discussion on people's personal development plans, we are the ones that decide on whether somebody needs development or not then we call HR to facilitate that for us.*

**Participant number 4**

*They are involved in training of staff, so if I feel that my staff needs training for example, excel training, I consult them. That's what I do with them.*

**Participant number 8**

*They facilitate a lot of training and employee development across all company levels that is, students to senior engineers and chief engineers. As departments, we are technical people, we identify our own training needs but we tend to liaise a lot with HR.*

The literature reveals that human resource professionals play an important role in up-skilling employees to improve performance. Lindström and Vanhala (2011) stated that in the public sector, the traditional roles and duties of human resource management is now centred on the restructuring of career paths.

- **Internships and sponsorships**

Data narratives revealed that HR department further handles the key aspect of internships and sponsorship as this is one of the main benefits of the organisation. This entails bringing graduates from outside universities and colleges to the

organisation by means of providing bursaries and develop them further internally. The graduates will eventually join the organisation as permanent employees. This is supported by the following responses.

**Participant number 12**

*and they manage the internship programs. Here we get people from outside who want to study or to get experience in the field. So they go through human resources department.*

**Participant number 14**

*They also facilitate the sponsorships of university students and they later join us after they completed their courses.*

**Participant number 15**

*provide bursaries for students who are doing different studies in universities.*

As Jackson, Schuler and Jiang (2014) argue in Chapter 3, HRM systems and their interrelationships with other elements comprise an organizational system, including the organization's external and internal environments, the multiple players who enact HRM systems, and the multiple stakeholders who evaluate the organization's effectiveness and determine its long-term survival.

**5.3.1.4 Staff welfare**

Staff welfare is another important role that HR fulfils. The data narratives revealed that HR at Mintek is involved in matters to do with employee wellness and welfare, as well as conflict and dispute management as demonstrated below.

- **Wellness and welfare**

This involves services such as the provision of a clinic and counselling services to ensure that staff are physically and emotionally well. Such ensures that employees' health is always good for productivity in the workplace, as some divisions such as Pyrometallurgy deal with high temperatures which may be unhealthy for employees. This is complemented by wellness programmes as provided in the following responses:

**Participant number 1**

*Yes, because the clinic is part of HR and so if they are any issues we normally send them to clinic which is part of HR*

### **Participant number 3**

*They are involved in employee assistance programs in which they handle personal issues of deaths in the family. We have a clinic which is under HR where people get treatment.*

### **Participant number 8**

*So they have a lot of employee wellness programs where they tend to organise some kind of wellness programs, but I haven't used that one so much. They also provide counselling for employees.*

Further studies by Sarvaiya, Arrowsmith and Eweje (2019) revealed that HRM provides a considerable strategic and operational input into the development and implementation of employee well-being. However, Amos, Pearse, Ristow and Ristow (2016:320) stated that considering employee well-being in the organisation creates high levels of commitment and loyalty towards the organisation.

- **Conflict and dispute**

As with any organisation, conflict and dispute resolution is important and therefore HR at Mintek addresses disputes and grievances related to salaries, disagreements, unfair treatment and disciplinary actions. This infers that Mintek considers a peaceful and harmonious working environment to reduce levels of dissatisfaction amongst employees. Moreover, this seem to be the reason that there is no trade union activity in the organisation. The following respondents provided the same:

### **Participant number 1**

*any issues related to dispute within the company.*

### **Participant number 10**

*dispute to do with salaries and all the grievances in the company. If there is a disagreement with my manager or even another colleague, we always go to HR for advice and guidance.*

### **Participant number 13**

*They ensure that people are treated fairly in the organisation. They are involved in the management of disputes.*

Such revelations are supported by Sarvaiya, Arrowsmith and Eweje (2019) who stated that human resource professionals as employee champions are concerned with listening, representing and addressing employee needs in the organisation.

#### **5.3.1.5 Communication, advice and relations**

The role of communication is also a pertinent role of HR as staff relations are dependent on this. The data narratives revealed that HR at Mintek play a role in providing new updates and awareness concerning company policies and procedures. Divisional heads, managers and general employees constantly receive advice from HR professional on legal matters to avoid litigation and disciplinary actions in the organisation. However, employee relations professionals at Mintek seem to play a role in this regard. This entails that HR professionals at Mintek are well conversant with the company policies as well as regulation changes in the internal and external environments. This is evident in the responses provided below.

- **Updates and awareness**

They provide updates on various policies and make staff aware of such.

#### **Participant number 11**

*They facilitate the communication from their department to the relevant divisions to keep us aware of company policies.*

*they provide update of company policies.*

- **Advice and Understanding**

As indicated by 3 respondents, Mintek provides advice to staff on HR matters and assists managers in advising on job specifications. Furthermore, they try to get staff to understand legal requirements in the organisation.

#### **Participant number 4**

*They give us advice and assistance in designing the job specifications but we remain in control as we are the ones who know the type of person we want.*

#### **Participant number 5**

*they provide advice on different HR matters or programs.*

#### **Participant number 7**

*They are the main informant function in the company to make sure that people are always understanding what the law requires of us.*

- **Employee relations**

They facilitate employee relations.

**Participant number 14**

*employment relations.*

**Participant number 6**

*we have employment relations and they also do administration duties.*

This finding is supported by Gao, Zhang, Zhao, Li and Wu (2016) who revealed that HR professionals fulfil different roles which include offering support and consultation to the organisation.

### **5.3.1.6 Management and monitoring**

HR also plays a basic work management and monitoring role when it comes to employees. Data narratives revealed that HR professionals are heavily involved in work management at Mintek, such as time management and the management of leave days. Three respondents also indicated that HR professionals are responsible for performance management contracts. This entails that HR professionals at Mintek work closely with line managers to ensure the effective management and monitoring of employees and to see that working hours are adhered to and employees are doing what is expected of them.

- **Work Management**

A number of respondents indicated that HR plays a role in work management. This entails keeping track of employee records, time management of employees, employee data, as well as assisting departmental managers with staff managerial issues such as SOPs.

**Participant number 14**

*time keeping management,*

**Participant number 16**

*They have a support division which keeps the employee records of all employees in the organisation.*

**Participant number 5**

*They do the management of leave days and time management,*

#### **Participant number 7**

*According to me there are supposed to make the life of senior and management staff easier in the sense that they will create procedures and standard operating processes that will make your job easier.*

- **Performance management**

As confirmed by 3 respondents, HR administers and oversees performance contracts and management. This is done in collaboration with the Departmental managers. They ensure that the performance contracts are aligned to Mintek for effective delivery of services thereby creating organisational competitiveness.

#### **Participant number 1**

*They are responsible for performance contract to issue them and to manage that, not necessarily to do the performance contract. In terms of performance contract they give you strategic platforms to work on and then from there you as a supervisor or the head you decide on how you will do it. But it must be in line with Mintek strategic plans.*

#### **Participant number 5**

*They have a role of overseeing employee performance in this organisation and they also set up contracts with individuals.*

#### **Participant number 9**

*They administrate the performance appraisal. That's the areas I normally interact with them.*

This is in line with Amos et al.'s (2016:355) view that performance management is a practice used by managers to plan, direct and improve employee performance in order to achieve the strategic objectives of the organisation. Moreover, Alfes et al. (2010) also support the above by highlighting that performance management practices ensure that individual goals are aligned with organisational goals and rewarding behaviour that supports company goals.

#### **5.3.1.7 HR role in restructuring**

The data narratives reveal that HR is not much involved in change processes, especially in the current restructuring that was taking place at the time of this study. Data revealed that HR professionals are not consulted and given information on what

the organisation is planning in the current restructuring process. This entails that only higher authorities decide and implement major decisions regarding the future of the organisation. The following were found in this regard:

- **Not very involved**

HR does not seem to be involved in the restructuring as it is controlled by the higher powers. This is not ideal as HR has a strong role to play when it comes to staff. There was one HRM respondent who made a very strong point on their role in current organisational restructuring.

#### **Participant number 17**

*Sadly, I think it's part of the State's way of doing things. We don't always take part or maybe it's because I am more in training and development so my input regarding restructuring may not be looked at as beneficial because there could be other experts within HR that need to be involved. I could probably be consulted when it comes to training related responsibilities. But it's not always that way that HR is involved, sometimes HR just finds out most of the things with the rest of the groups because most of the things happens on a certain level of decision making.*

This is contrary to the roles of human resource management since the literature review indicate that HR holds various roles in organisational change, including those of change agents and consultants (Baran, Filipkowski and Stockwell 2018). Moreover, Ulrich's theory (1997) highlighted that HR professionals help to identify and implement change processes in an organisation.

- **HR is not consulted**

Similar to the above, HR is not consulted on the restructuring and this can be problematic because HR has considerable knowledge and experience to offer from a staff perspective.

#### **Participant number 17**

*I don't think that's a good process because HR knows the business, we work with people so consulting with HR as a whole can give you a better picture of what is good to do and what is not good or whether there is need for restructuring or we just need to change culture or certain things. So I just feel like if you don't consult with HR, you might jump to restructuring while it might not be necessary because you might think that you have information but information from one individual whom you probably consulted to come and observe. I doubt anyone could have had enough time through consulting, on a consulting basis more than the ones that are here full time.*



- **HR not given information**

HR also does not seem to be given information on restructuring, which makes it difficult to address staff concerns when the primary department (HR) is without such information. This means that HR cannot offer advice or comfort to staff as highlighted by the following respondent:

**Participant number 17**

*I think if there is changes sometimes in such organisations you only find out with the rest of your clients that you give service to and that's a negative thing and it can't be like that. Even if you hear it on the corridors there are certain response that in case if something like that is spreading with bit of knowledge you will know how to handle it, contain it and give people comfort in a way that they shouldn't be stressed. But without knowledge you can't do anything. And as HR you even increase the anxiety that happens. So that's what it is in some organisations and I don't think we have reached a stage of restructuring per se, but there are certain decisions that would cause such anxiety where you also find out with everybody.*

Kim and Ryu (2011) argued that as change is now a common practice in organisations today, HR professional are expected to assist organisations in keeping employees committed and motivated throughout the change process.

- **Restructuring at HR manager level only**

From the data narratives, it appears that only the HR manager seems to be involved and not HR as a whole. This shows that Mintek heavily relies on a centralisation of power in its operations, especially in change management processes where employees and other divisional heads are not involved. This suggests that restructuring processes are only done at top executive level and no communication is given to the HR professionals at the middle and lower levels. Data revealed that the HR Manager only appeared in the middle of the restructuring process as this position has been vacant for almost 7 months.

**Participant number 23**

*It's done by other people because this division is also affected. It is only done at our HR Manager's office. As we speak my role as an example is redundant, I have got 3 portfolios which is Organisational Development, Human Resource Planning and Learning and Development. We don't know when the division is going to be affected, we don't know if it is next month or next year. Currently we don't communicate anything to the people.*

- **No communication to staff**

No communication about restructuring is given to staff and this starts rumours, leading to panic and de-motivation as employees may anticipate job losses. This makes it difficult for HR professionals, as employee champions, to address employees regarding the matter as they do not have information.

**Participant number 23**

**Are people receiving communication of the change that is taking place?**

*No. that's now open a lot of passage talk. Rumours are more dangerous than receiving the communication.*

This finding is supported by Kim and Ryu (2011) who revealed that rumours, combined with little information, may lead to unorthodox interpretations about the purpose of change initiatives.

#### **5.4.1 HRM – ORGANISATIONAL COMPETITIVENESS**

Competitiveness is important for an organisation's survival and sustainability. The following was found on how HRM plays a role in this:

##### **5.4.1.1 Value chain and strategic management**

As asserted by 5 respondents, the HR department focuses on maintaining the 'value chain' of the organisation when it comes to staff. This involves recruitment, training, development and talent management. They also administer remuneration and benefits and are meant to serve as business partners to departments for competitive advantage as indicated by the following respondents:

**Participant number 20**

*We do the whole value chain of HR from recruiting, on-boarding, training and development of the staff within the organisation.*

**Participant number 22**

*HR is responsible for Talent Management which involves the recruitment of employees, training of the employees and making sure that employees have what they need in terms of support.*

**Participant number 23**

*We look at the entire employee life cycle from the time that we attract the candidate to work for the organisation. We recruit them using our normal recruitment process. Once*

*they are here they are on-boarded which include the normal induction and making sure that the employee understand their roles.*

#### **Participant number 24**

*Their roles include partnering with the organisation on strategic management, conducting workforce planning and recruitment, implementing reward and recognition strategise, talent management etc*

#### **5.4.1.2 Staff**

Staffing remains the principle role of HRM towards ensuring competitiveness. This theme revealed that Mintek provides various retention strategies to keep employees happy and to improve productivity for organisational competitiveness. This was confirmed by Amos et al. (2016) who highlighted that the responsibility of human resource managers is to achieve organisational goals by working with and through people.

#### **Talent Identification**

HR tries to ensure that the right talent is recruited to add value to the organisation. When people with necessary skills are brought to the organisation, errors and low productivity can be reduced, leading to the delivery of quality services, which gives Mintek a competitive advantage in its industry.

#### **Participant number 20**

*In terms of recruitment we look for the talent that we need by working with line managers.*

#### **Participant number 19**

*With recruiting, even if I don't work in that unit I am thinking that the way in which they recruit they try hard to get people who add value to the organisation.*

#### **Participant number 17**

*We service the organisation with administration, recruitment processes of Mintek, we also have the functions of creating a pipeline for Mintek so in this case we mean internship programs where eventually Mintek can say this candidate was a good one and we would like to consider for permanent role.*

This was supported by Schuler et al. (2011) who reiterated that the success of today's firms is largely dependent on how effectively they identify and manage talent.

- **Realistic job specifications**

Building on talent identification, HR tries to capitalise on this through ensuring that candidates have realistic job specifications. This is done in collaboration with departmental managers. Such a practice ensures that job specifications are more focused rather than general as so the right candidates are chosen. One HR Administrator highlighted that it is important for the organisation to design a job specification that explicitly attracts the right person who understands the key factors and challenges of the job. This entails obtaining committed employees who stay longer in the organisation for competitive advantage.

### **Participant number 19**

*With recruiting, even if I don't work in that unit I am thinking that the way in which they recruit they try hard to get people who add value to the organisation. We had a session where I suggest that in order to attract the talent that we really need here at Mintek in order to make the organisation competitive we need to have a realistic job previews. When you design your job specification it must be realistic as possible, talk about the position, even mention in the job specification the challenges of the job. You will know that the person who is going to apply for this job is someone ready to take the challenge and add value to the organisation. Not just drafting a general job specification where anyone can apply, so that will help the company to attract competitive people.*

The above response is supported by Thunnissen et al. (2013) who argued that organisations need to be able to attract the right people in the right place at the right time.

- **Staff promotions**

The data narratives revealed that the organisation tries to motivate employees through internal promotions. Personal requirements of the job can be adjusted in favour of the internal employees in order for them to get the available positions as long as they meet minimum requirements. This entails that the organisation tries to maintain talent that keeps on achieving the organisational goals, thereby creating employee loyalty as promoted employees may feel recognised in the organisation. The following HR respondent confirmed the same:

### **Participant number 23**

*When we do promotions we make sure that if an internal person apply we try by all means if they do qualify to promote them. Even if they don't qualify 100% but they meet the minimum requirements we promote them and train them on the job.*

- **Adequately trained, developed and skilled**

HR ensures that staff are adequately trained and developed with appropriate skills and knowledge. This also entails KPI alignment in collaboration with managers. Data revealed that the organisation relies heavily on employee training and development for productivity which helps Mintek to obtain competitive advantage. With adequate training, there is reduction of mistakes and speedy in internal operations which result in cost reduction in the organisation.

**Participant number 22**

*We do training and development and employee relations which involves making sure that should the employee not adhere to the policies are brought back into line.*

**Participant number 23**

*They do their KPIs with their line managers, they go on a 6 months' probation period where the line manger teaches them how to do the role and train them because there is a lot of training required as we are a research council.*

- **Study incentives**

Study incentives remain one of the key motivators for employees at Mintek and HR tries their best to promote this initiative. Mintek provides 100% study fees incentive which is not common in many organisation which gives Mintek a competitive advantage. Many respondents regarded study incentives as a major incentive at Mintek. However, this help employees to move to other departments of choice as they are able to align their studies to specific departments, and this further enhances chances of internal promotion in the organisation.

**Participant number 23**

*So as an example, if you come in with your honors degree, we encourage you by all means to do your masters and go all the way to PhD level because we are a research organisation.*

This is supported by (Barney 1991)'s theory which argued that an organisation can enjoy a competitive advantage when it is implementing a value creating strategy which is not concurrently implemented by other firms.

- **External**

Data revealed that special training is conducted for people coming from other organisations as so they understand Mintek and their new roles. One HR person revealed that people from external organisations who join the company are subjected

to thorough induction programs to understand Mintek systems, implying that Mintek as a research council seems to have work practices and systems that are not common in other organisations. Hence there is need to align new employees to the organisational needs for effective delivery of services for competitive advantage.

### **Participant number 23**

*Sometime we hire people from the mines and those working in commercial organisations that's why we fully induct them to make sure that they understand their roles.*

This is supported by Teece, Pisano and Shuen (1997), who posited that competitive advantage is attributed to organisations that are able to effectively re-deploy internal and external competences.

- **Retention strategy**

HR tries hard to ensure that staff are retained primarily through study benefits, as discussed in the above themes. Data also revealed that Mintek provides bonus incentives as a way of appreciating employee performance. Employee recognition plays a vital role in motivating employees in the organisation. This was confirmed in the responses below.

### **Participant number 23**

*Then obviously through your employee life cycle we hope that we don't get to a point where we separate you all terminate the contract of employment. So we have to get different initiatives to make sure that we retain you. For example we continue to develop you through part time studies or full time studies*

*We also have incentive programs where we pay bonus once a year as also some form of retention.*

- **Employee wellness**

Employee wellness is also a focus because an employee must be physically well and emotionally well to be effective at work. Therefore, HR provides clinics and counselling services in this regard.

### **Participant number 20**

*We make sure that employees when they are here that are looked after.*

### **Participant number 22**

*The other part is employee assistant program that is if employees feel that they are stressed or anything which affect their productivity can be assisted. Basically that what the human resources does.*

#### **5.4.1.3 Specialised human resource departments**

One HR respondent clearly highlighted that HR is divided into 3 streamlined sections, each with its own focus and advantage. The sections are organisational development, learning and development, and administration. It is apparent that the organisation strives to obtain a competitive advantage by having separate specialised HR people who deal with specific matters for efficient delivery of services. The following responses confirm the same:

- **Organisational Development**

This department focuses primarily on performance management, recruitment and selection and job-related aspects such as evaluation and description.

#### **Participant number 18**

*Here we have different sections such as organisational development which deals with performance management and recruitment and selection, job evaluation, job description etc.*

- **Learning development**

This department takes care of training and development focused on current employees and the sponsorship of students who will join the organisation after their studies.

#### **Participant number 18**

*We also have the learning and development which do more on the training of employees and they visit universities as Mintek funds students so they do visit students and service providers that are funding Mintek.*

- **Administration**

This department is more back-end and focuses on administration related to remuneration and benefits.

#### **Participant number 18**

*we also have the back office which is called HR Administration so they do more of benefits administration and remuneration.*

### **5.5.1 HRM PROVIDING SERVICES TO THE ORGANISATION**

This theme examines if HRM is playing their role in providing the respective services to the organisation and was informed by responses from human resource management. However, it appears that they are not playing their role to its entirety. Therefore, this theme is segregated in the factors that contribute to HRM playing their role, as well as why they are not playing their role.

#### **5.5.1.1 Playing its role**

The above theme revealed that the Human Resources department is able to provide a competitive advantage to the organisation. However, this theme seeks to show if HRM is effectively playing its role at Mintek.

- **Employee productivity**

Employee productivity is given high priority, ensuring that employees are trained and skilled respectively. Three human resource professionals revealed that the HRM department is playing its role as they emphasise employee productivity through training existing employees and graduate trainees. One HR professional clearly stated that training is done in line with company vision. Data narratives further revealed that employee training helps Mintek to attract and retain talent in the organisation. This theme entails that HRM at Mintek play their role more in relation to employee training and the sponsoring of graduates. This seems to be the strength of Mintek as it was also highlighted in the above themes. The following responses confirm that Human Resource Management is seen to be playing its role in organisational performance and productivity:

#### **Participant number 22**

*Yes, my specialty is learning and development. When an employee start working in the company, they come to Mintek without skills, especially the graduates. Then we have to put in programs that will upskill the employee to be able to reach the level of productivity the organisation wants*

Wright and Shell” (1991) Cybernetic Systems model highlighted that strategic human resource management has the responsibility of managing employee competences and behaviour to attain organisational goals.

- **Training programmes**



Building on the above, data revealed a relationship between training programmes and employee productivity. This is confirmed below as HR emphasises the needed to adroitly train people according to Mintek's vision and goals so productivity is aligned.

#### **Participant number 22**

*We build training programs that will enhance those peoples' productivity. If the person is a leader for example, they come in from another organisation where they were not leaders, now we have to train them to be a leader for Mintek. So those things are beneficial to the organisation, that's why I am saying to you HR is important to the organisation because without those things, your people won't be able to be productive they way you want them to be.*

- **Business productivity**

Data also revealed that when employees are productive as a result of employee training and development, then the organisation will be also productive. However this creates competitive advantage since Mintek will be able to make profit and be able to survive. The following responded confirmed the same.

#### **Participant number 22**

*In return the company gets return on investment on that through efficiency and productivity and bringing in business to the Mintek.*

- **Attracting talent**

Relating to the above, linking training and company productivity really works in attracting and retaining talent to the organisation for competitive advantage. Employers compete for labour, hence an employee-centred approach seems to be effective in attracting talent.

#### **Participant number 21**

*in attracting and retaining talent etc.*

- **Aligned with government regulations**

An important point was made whereby from a recruitment and talent perspective, they are aligned to government regulation in terms of equity. Two HR respondents highlighted that Mintek operations are guided by the government rules as well as company policies in terms of recruitment and talent management. This entails giving fair treatment and opportunities to all employees in the organisation without any discrimination in terms of race, culture, colour, religion etc.

#### **Participant number 22**

*From Talent Management perspective, if we do not have HR that puts the relevant guidelines which are aligned to the country, then you recruit people for the sake of recruiting and then you might get into trouble along the way.*

#### **Participant number 20**

*Yes, you can look at our score cards, they show our progress. In terms of employment equity we have to be at a certain level in line with what is required by the government policies. We are aligned with government regulations.*

However, the literature reviews that some government institutions in the UK have adopted inclusive talent management to provide equal development opportunities for employees (Kravariti and Johnston 2019).

##### **➤ Achieving goals**

Data also revealed that HRM ensures that it functions to achieve organisational goals. As highlighted in the above themes several HR initiatives such as training, recruitment and staff benefits such as bonus and study incentives aims to achieve organisational goals thereby obtaining competitive advantage.

#### **Participant number 21**

*Yes most definitely, without a human resources management an organization would not be able to function at its optimal best in achieving organizational goals,*

##### **➤ Collaboration**

Data also revealed that HRM works in collaboration with company Divisions when it comes to productive staff programmes and efficiency. This interdependency approach seems to be able to spearhead training programmes at Mintek. This alignment behaviour creates unity and singleness of purpose as there is much reliance on each other in terms of knowledge.

#### **Participant number 22**

*We work in collaboration with other divisions and be able to produce a solid program that will be able to make people efficient and productive.*

#### **5.5.1.2 Not playing its role**

However, various responses indicate that HR is not playing its role effectively and this is due to the following:

- **Lack of business partnering**

This theme revealed that a lack of business partnering can be seen as the root cause of HR being ineffective. This is because they play more of a support and administrative

role rather than a strategic business-partnering role. HR should ideally function as business partners in order to provide a competitive advantage to the organisation. This was confirmed by the two HR respondents who provided the following:

#### **Participant number 18**

*It depends. In some aspect we do provide the service which is required but then not to the extent which is required if you go to other organisations. But we are going to improve as we have a new HR Manager so we are going the route of HR Business Partner role because you know the HR generalist is more of administration other than partnering with business.*

*We are more of transactional compared to partnering. In our space we do service divisions but not the way which is expected.*

#### **Participant number 19**

*Can I be as honest as possible? For now I think we are working towards doing that, it hasn't been happening. What I picked up when I joined the company was that our HR is more administrative, we are not really business partners. We don't know what is happening in the business.*

*You know the role of being a business partner, the real HR person, I don't think we are doing that but we are trying to move towards that.*

Lindström and Vanhala (2011) purported that in the public sector, due to modernisation, HR functions need to play a more strategic role in order to be efficient and cost-effective in providing services to the organisation.

#### **➤ Lack of technology**

Data revealed that a lack of technology is one of the reasons for HR's ineffectiveness in fulfilling its role in the organisation. Currently, the HR component is still very manual in its operations. Three HR professionals expressed a great disappointment in the lack of technological aspects in their department. They stated that services are delivered manually, which results in delays and errors when serving the organisation. One HR professional make it clear that what they do is just pushing papers. Data narratives also revealed that manual systems have an effect on the bursary application process which is taking time to get finalised and approved. However, the recruitment process also seems to be very slow due to the manual system. One HR professional clearly stated that it takes about 60 days to fully appoint a person once the recruitment process is started, which prevented the company from attracting qualified candidates as they find other jobs before appointments are finalised. HR professionals highlighted that Mintek is failing to keep up with the current modernisation as it is still printing CVs

for interviews, which appears to be taking more time. The following sub-themes and responses confirmed the implications of the lack of technology:

- **Employee Management System (EMS)**

Despite having some systems such as the EMS, nobody really understands its abilities or operations.

**Participant number 19**

*We have EMS (Employee Management System) but we don't know what EMS does, all we do is just pushing papers. That's what I have picked up so I would say we haven't been playing that role.*

- **Bursaries application process**

Bursary application forms are also still manually done.

**Participant number 23**

*When we do bursaries for example, we sign a manual training form, if it was on-line it saves us a lot of time. So everything we do could be better if we have a good HR system. We could do be much better if we were not very manual.*

- **Manual approval of Documents**

Hardcopies of key documents still have to be manually printed and signed.

**Participant number 23**

*There is also a memorandum that we need to print out for the line manager to sign, the divisional manager has to sign, the HR manager signs, the executive of corporate services signs, the CFO signs and the CEO. So that 6 people signing a hard copy document and that where a lot of time is taken. If one of them is on leave or in meeting and you can't get hold of them that document don't go anywhere. If it was on-line people can just approve from where ever they are.*

- **Recruitment**

Recruitment is also a very slow process because of the lack of technology and the use of manual processes. Hence the process of receiving applications and CVs is slow and takes many days to process, from advertising the position to application and CV receipt to interview processes (60 days).

**Participant number 23**

*It takes about 60 days depended on if it is an easy to fill vacant. We recruit, we place an advert both internally and externally for 2 weeks. There after we shortlist, so if it's an engineer position for example we get around 500 CVs and get to each one of them to screen and that will get to a long list that we send to the line manager to shortlist.*

*Again its manual done by email, then after that the candidates are then interviewed, reference checks and psychometric test are also done*

- **Interviews**

Interviews are also done manually, which takes up valuable time.

### **Participant number 23**

*Again we do interviews, those CVs have to be printed and bounded, and that time could be used to partner better with the business.*

- **Losing good candidates**

The lack of systems is in turn causing slow recruitment processes and has a ripple effect whereby good candidates are lost as they take up positions in other organisations.

### **Participant number 23**

*Definitely because other companies that have sophisticated HR systems are able to fill vacancies quicker may be within a month. For example we did an interview of another person in December 2019 and the document was still in circulation and was only signed this week (28 February 2020). The person is already with another company Lonmin.*

- **Not keeping up to current times**

In light of the above, HRM is not keeping up to the current times of being faster and flexible through the proper use of technology.

### **Participant number 17**

*HR is playing its role but it is limited based on its progress with delivering this service to the people because of the progress of technology. What used to work previously is not working as it used to, people are faster now they want faster progress in terms of service and HR is still a bit far back with innovation. So at the moment we are trying to catch up with the new way of doing things but of course it will take time.*

Thite, Kavanagh and Johnson (2012) argued that due to technological advancements, the time for administrative task is decreasing, thereby allowing HR professionals to deal with more complex strategic activities. This entails that the HR department, through executive support, needs to re-think the way HR is organised and delivers its services to the organisation.

- **Tedious policies hinder processes**

Apart from technology, it was revealed that old policies slow processes as they have not been revised to keep up with current times. This implies that state-owned

enterprises are very slow in implementing and adapting to the changing environment which has an effect on achieving a competitive advantage. This may be caused by too much bureaucracy in state-owned enterprises as there is a need to escalate any proposed change to the highest authority through the hierarchical channels. One HR professional made a very strong point that Mintek's recruitment policies need to be changed as they involve too many people who need to approve the appointment of new staff. This is causing the recruitment process and internal promotions to take more time to be finalised. Furthermore, this is also leading to the loss of good candidates who get frustrated and take jobs elsewhere before Mintek finalises their appointments. The following sub-themes and responses confirmed the same.

- **Recruitment**

Current policies slow down the recruitment process as there is too much administration to adhere to when filling positions. In addition, even promotions are difficult to effect because policy requires many support factors and motivations, which can discourage staff.

**Participant number 17**

*I will use an example of recruitment processes, our policies are too long, not just about interviews where we decide who we want. But internally after we have seen the people, we have to write a big huge motivation why we are taking the person which is fine, but the process of getting it approved it goes to too many places which in some cases is unnecessary. I just feel like it can be changed in a way where different levels of management can just approve to a certain level, just to shorten the process and be quicker.*

- **Lose good candidates**

Based on this, it can lead to staff leaving the organisation as they can become frustrated with the amount of channels and procedures.

**Participant number 17**

*But internally after we have seen the people, we have to write a big huge motivation why we are taking the person which is fine, but the process of getting it approved it goes to too many places which in some cases is unnecessary. I just feel like it can be changed in a way where different levels of management can just approve to a certain level, just to shorten the process and be quicker. Because you can find yourself losing a brilliant candidate due to this process.*

## **5.6.1 PROVISION OF RELEVANT INFORMATION TO NEW EMPLOYEES**

This sub-theme deals with the provision of relevant and adequate information about the job and the organisation to new employees. However, it appears that both HRM and Divisional heads have their own means of doing such. Some methods are similar whilst some are different. The first sub-theme deals with this role from an HRM perspective, whilst the latter shows how divisional heads do the same.

#### **5.6.1.1 Human Resources Management perspective**

Data narratives revealed that HRM does the following when it comes to the provision of information to new employees:

##### **➤ Induction**

Induction is done for all new staff. This comprises the following:

##### **• Induction and orientation**

The formal corporate induction and orientation is done on a quarterly basis. Three human resource professionals revealed that induction is facilitated by the organisational development office and allows all Divisions to present to new employees about the organisation. Induction and orientation programs are a common practice in many organisations. This implies that Mintek exercises the basic HR practices to ensure that new employees are fully prepared to start their duties. Moreover, at Mintek, this practice seems to be of great significance as it may help in reducing the occurrence of accidents since the organisation deals with sophisticated and complex machines in technical Divisions such as Pyrometallurgy, Mineralogy and Hydrometallurgy, to mention just a few. The following HR respondents confirmed the existence of induction and orientation at Mintek:

#### **Participant number 19**

*We do have inductions, it's done by the Organisational Development office. Employees are taken through what the organisation does in different departments.*

#### **Participant number 21**

*corporate induction done quarterly.*

#### **Participant number 22**

*Within Mintek there is a division that handle induction process. It invites people from all Mintek divisions to come and present to the people in terms of what they do and*

*how will they offer services in future. So should they struggle in future they will then know the division to approach.*

- **New method of mini inductions**

Relating to the above, a new method of mini-inductions was recently introduced because sometimes formal inductions take long to happen after an employee has started. Mini inductions therefore serve as an agile way to allow employees to adapt faster.

### **Participant number 18**

*What we recently improved, you know previous we only had corporate induction which we conducted quarterly then we felt that it's not enough because you can start on the 1st then get inducted after 3 months. But then in the period of 3 months what is happening to the employee who is not aware of the culture and benefits. So we now have the mini induction which is conducted by HR on the first day where people are taken through the company benefits and explain the total costs to company because companies have different understanding on how they structure the package. We explain issues such as how they access the internet, how to apply for a leave and where to find the company policies so that you don't struggle.*

### **Participant number 20**

*As they start, we have a mini induction where we give them an overview of what Mintek is all about and where to get what information. We give them some company booklets and explain to them what we expect from them. We take them through a brief presentation of the conditions of service.*

- **Communication**

Data narratives revealed proper dissemination of information to new employees through the staff announcement process, meetings, presentations, intranet and company websites. This implies that the human resource function strives to create a competitive advantage through the effective delivery of information to all Divisions. The availability of such communication avenues assists employees not to miss any relevant information in the organisation. Additionally, this reduces confusion and rumours, especially for new employees to the organisation. The following confirmed the availability of communication avenues at Mintek:

- **Staff announcement process**

This allows new information to be continuously shared to new and old employees in the organisation.



### **Participant number 17**

*We also have something we call staff announcement process where we constantly share new and old information.*

- **Meetings and presentations**

HRM conducts divisional meetings and presentations to share new information.

### **Participant number 21**

*HR personnel also attend divisional meetings where they share information with staff and also conduct presentations on any changes on the company policies etc.*

- **Intranet and website**

The intranet and website have information for new employees about Mintek and its policies.

### **Participant number 19**

*We also have intranet where everyone can just access and read company policies. We also have the communication department that communicate news concerning Mintek.*

### **Participant number 21**

*Through our company website,*

- **Engagement**

There are also engagement platforms facilitated by HR at Mintek. The engagement platforms include company tours where new employees are given the opportunity to familiarise themselves with the company premises and Divisions. This enables employees to ask questions regarding Mintek's systems. It was revealed that there is a platform called *red couch*, which is another engagement channel where employees get the chance to meet the company executives to get clarity on Mintek's operations and ask questions. Awareness consultations are also held, which allows employees to freely approach the HR department should they need any assistance regarding Mintek procedures, systems and any other HR-related matters. These suggest that Mintek exercises an open-door policy which to some extent act as a motivation tool for employees. Employees in the organisation have the desire to meet their executives and HR professionals for clarity on employment matters. The following sub-themes

and responses confirm these engagement platforms:

- **Tours**

Tours are conducted for employees so that they can physically get to know the organisation.

**Participant number 22**

*There is also a company tour which we take them around the company and make sure that they are well familiar with the place. We then do the introduction within the division.*

- **Red couch**

The red couch involves having executives making presentations to the employees and welcomes different questions from the employees. This applies to all employees in the organisation.

**Participant number 17**

*We have something called 'the red couch' where we call one of the executives and they ask questions that are related to topic on discussion. It's a good platform but can be a bad one if people are frustrated, they could use that platform to raise their concerns.*

- **Awareness consultations**

As discussed above, these awareness consultations are also held, as asserted by one respondent below.

**Participant number 24**

*We conduct awareness consultations etc.*

The provision of information to employees is supported by Ulrich's (1997) model of Competitive Advantage, which highlighted that HR managers are responsible for encouraging employee suggestions at forums in organisations. This helps to solve difficulties that employees may have with their management in the organisation

- **Performance contract**

HRM facilitates performance contracts with the line managers and the employee whereby the job description and expectations are explained and agreed upon. One HR respondent revealed that the performance contract should be signed by the

employee within six months of probation. Supervisors are expected to explain to their subordinates what is expected of them and how they are going to be evaluated. This is followed by performance reviews where the employee performance is evaluated. This entails that the organisation makes use of the Management by Objectives (MBO) technique, which encourages the superior and the subordinate to sit together and agree on the performance goals to achieve. However, this allows the superior and the subordinates to effectively work together to achieve goals. The following response confirmed the same:

### **Participant number 23**

*When they come in within the first 6 months of probation period we give them a performance contract which forces the line manager or the supervisor to sit with them and provide the job description and explain what is expected from them. After 6 months we do a performance review which is supposed to be signed off.*

Amos et al. (2016:355) iterated that performance management involves practices and processes implemented by managers to plan and improve employee performance in line with organisational objectives.

#### **5.6.1.2 Divisional heads' perspective**

From the divisional heads' perspective, the following is done to ensure that new employees are given adequate information in the organisation for effective performance:

##### **➤ Graduate Development Programmes**

This allows for graduates to be able to ease into their new roles. Mintek Divisional heads and supervisors play an effective role in preparing new graduates to perform their duties in the organisation. Data narratives revealed that Divisional heads engage in various training techniques such as job rotation and shadowing of new graduates in their early stages of appointment. This takes place in various technical Divisions where the organisation deals with complex and sophisticated technical activities. One can safely deduce that coaching is at the centre of all company Divisions to ensure the effective delivery of services to the organisation. This is because Mintek employs graduates from universities and colleges who do not have enough working experience. Job rotation and shadowing also allow new graduates to be taught by their superiors, especially soft skills such as presentation skills and proposal writing skills. These are

necessary skills as some duties will require employees to work with new clients where they are signing contracts with external stakeholders, which brings business to Mintek. The following sub-themes and responses confirm the availability of Mintek graduate development programmes:

- **Rotation**

An important point was made by 5 respondents whereby graduates are rotated so they become familiar with all departments and with the entire organisation. This helps the organisation to have people who provides competitive advantage as they tend to have a broader understanding of the company's needs and processes. However, this reduces the occurrence of mistakes and accidents as employees fully understand the organisation.

**Participant number 13**

*We have graduate development programs. What we do is that we rotate new students in various divisions of Mintek for them to be familiar with the whole organisation and understand what the company does.*

**Participant number 14**

*We have a graduate development program in which we rotate new graduates to all divisions of the company for them to be familiar with our departments.*

**Participant number 2**

*We have graduate programs, when students graduate, before they start working in their technical divisions they get enrolled into the graduate programs where they rotate in all Mintek departments so that they know what Mintek does and what is expected of them when they go back to their core divisions.*

A study by Tarus (2014) revealed that job rotation could be used for the development of knowledge for employees to master new knowledge and enhance organisational performance.

- **Projects and shadowing**

New employees and graduates are given projects that are shadowed by senior employees as mentors. This allows for on-the-job learning with experienced staff.

**Participant number 14**

*We also give them a project to run under a senior engineer for 3 months. This is where they are given more time to observe how engineers interact with the clients.*

### **Participant number 15**

*We also involve them in most of our company projects for them to learn our processes and how to manage a project.*

- **Presentation skills**

These types of skills allow for new employees to work well with other colleagues and clients for the effective delivery of services.

### **Participant number 14**

*This again is supported by presentation skills training which we give them to effectively work with clients.*

- **Proposal**

Proposal writing and evaluation of proposals are also taught.

### **Participant number 5**

*We teach them from how to write the proposal and evaluate it, that is if they are junior employees. Senior employees they use their own approach when dealing with clients, they have experience, I don't teach them.*

- **Induction**

Divisions also do their own induction to ensure employee readiness.

- **Divisional Induction and orientation**

The Divisions do their own induction and orientation. This allows for divisional specific information pertaining to health and safety and department functionality. HR is also part of the induction since each department has an HR generalist who assists with any HR-related matter.

### **Participant number 16**

*We train people through induction about matters that cover health and safety concerns in the organisation as most of our divisions are into technical.*

### **Participant number 3**

*We have the HR generalist in our department who does the proper induction which involves explanation of company policies, explaining the employment contract and showing them where to find company policies of company intranet.*

### **Participant number 7**

*There is induction process and each department has its own presentation which new people go through, and at the end of that they should have a clear information of what the company does.*

### **Participant number 8**

*We have our divisional induction mostly its health and safety because we deal with very high temperatures here. We deal with radio-active material so we go through all those process. Some of the things they learn as they go. If we do a proper induction it will take weeks and we don't have that capacity. We pick out things as we go, if you are lost you ask. In terms of the overall induction.*

- **Health and Safety induction**

Relating to the above, health and safety training is a main concern, given the nature of the organisation. Therefore, divisional induction focuses primarily on this form of training, which involves managing chemicals, toxic substances and high temperatures, among others in the organisation.

### **Participant number 16**

*matters that cover health and safety concerns in the organisation as most of our divisions are into technical. Health and safety therefore becomes a priority. We teach people about the toxic staff that we use here at Mintek, they should know how to discard toxic staff and how to protect themselves when working with those toxic staff.*

### **Participant number 8**

*We have our divisional induction mostly its health and safety because we deal with very high temperatures here. It's like we are looking at 1600 to 1700 degree Celsius.*

A study by Kim, Egan and Moon (2014) which sought to measure the impact of coaching through the identification of soft skills in public sector employees, revealed that coaching provides empowerment, trust, corporate vision and systemic thinking which enhances the competitive advantage of the organisation.

- **Involvement in Recruitment and Selection**

Departmental heads are involved in recruitment, interviews and selection from the outset. This is to allow the Divisional heads to provide the specifications in terms of the qualifications and experience needed in their Divisions. However, in the interviews the Divisional heads together with an HR representative are given an opportunity to identify and examine the skills and knowledge of the candidates for effective selection of attitudes and behaviour that fit well in the organisation. This is because Mintek has various Divisions that are technical in nature and that require expertise to identify the potential candidates since HR professionals may not understand technical aspects in a job.

### **Participant number 6**

*We are fully involved in recruitment and selection. We give HR the requirements of candidates which should be called for interviews. We then shortlist and participate in interviews.*

This is supported by Kim and Ryu (2011) who iterated that for human resource departments to be effective, they need to be well connected to their line managers in the organisation.

➤ **Alignment**

Company vision is explained to new employees, as well as how to achieve the company vision as a division.

**Participant number 15**

*We also get the opportunity to explain the company vision and how we intend to achieve the company vision as a division.*

➤ **Job specification and expectations**

Job specifications and expectations are conveyed at the outset by divisional heads, as explained above. Training is also provided where applicable.

**Participant number 4**

*In my department, we make sure that the job specification is available to be able to clearly communicate what the person is expected of doing in his/her position.*

**Participant number 6**

*Supervisors also train the job related aspects and that's where they get performance contract and performance targets. So supervisors normally engage in Standard Operation Procedures form of training to help employees what is expected of them.*

**Participant number 9**

*Some people come with PhDs, degrees so they are quite skilled already, so it's just a question of introducing them to the division where everything is to know our procedures.*

## **5.7 THEME 2: KNOWLEDGE, TOOLS AND RESOURCES**

This critical theme examines the tools and resources at the disposal of HRM and if they are effective.

### **5.7.1 HR Department- knowledge and expertise to effectively manage the organisation.**

This primary sub-theme examines if HR is equipped with enough knowledge and/or expertise to effectively manage the organisation. However, results imply that HR is not entirely equipped, or is only equipped to a certain degree.

#### **5.7.1.1. Not equipped**

Substantial responses indicate that HR is not equipped. These were represented in the following sub-themes:

##### **➤ Communication, understanding and alignment**

This key sub-theme examined the concepts of communication, understanding, lack of knowledge and alignment, which seemed to be lacking from human resource management.

- **Knowledge but no skills**

HR seems to have knowledge but lack skills on how to apply that knowledge when it comes to certain tasks, such as training. They also seem to lack certain people-related skills. This implies that human resource professionals at Mintek may lack much experience of how the whole organisation operates and also about its people. This may be caused by staff turnover in the HR department, as indicated by many respondents in the coming themes that the HR department always have new people in a short period of time

#### **Participant number 6**

*They have knowledge but not enough skills. They don't know how to action or implement training programs such as mentorship. They just don't make things happen though they might have knowledge.*

#### **Participant number 7**

*I would have to say may be they have the knowledge not the skills. But it's a human factor in any organisation. Because people have different ethics towards their work, I don't think any person is a machine. We have a brain there are certain things we agreed on and certain things we don't agree on. If you don't agree you have a tendency to slack.*

Ding, Kam, Zhang and Jie (2015) argued that having human resources does not necessarily lead to organisational success as poor human resource management can negatively affect employees' job satisfaction.

- **Lack of alignment to change**



Data narratives revealed that HR does not seem to align with changes that come from management, such as putting systems in place to accommodate change. This seem to be caused by little involvement of HR people in change initiatives. The following respondent conveyed the same:

#### **Participant number 1**

*So if management is changing certain things, HR needs to put systems and processes in place so that change can be a bit easier for the organisation.*

- **Lack of communication**

Furthermore, communication is lacking from HR, especially in relation to changes that occur in the organisation. Data narratives revealed that HR does not communicate and properly implement some change initiatives that come from management. The change initiative in this case was largely referred to as the restructuring that was taking place at the time of the study. However, this may also be due to the non-participation of the entire team of HR professionals in change initiatives, as indicated in the previous themes.

#### **Participant number 1**

*No, our current HR is not equipped to do that, specifically this change taking place, they don't manage it very well, and they don't communicate very well on certain changes.*

- **Lack of understanding in promotions**

Internal staff are often denied promotions for various reasons, such as needing qualifications rather than experience. This means that outside people with little organisational experience are hired for key positions. One Divisional head highlighted that HR can take people from outside and promote them, whilst there are much more internally experienced employees, though without qualifications. This entails that the organisation operates following the company standard rules when it comes to recruitment and selection. However, that is the nature of state-owned enterprises, to rule by the book and not exercising flexibility on some matters.

#### **Participant number 2**

*They are 2 types of HR here, we have HR officers and we've got HR administrators. HR administrators are the ones who process the employee data, those ones they know and if you go there to submit your staff it gets processed. But, I don't think the HR officers, the ones who are supposed to look at the employee benefits, I personal think*

*they don't know what they are doing. Where an employee has to be promoted and has been here for a long time and they start to ask for things you wouldn't expect them to ask. For example, if an employee comes from outside there is a minimum requirement that should be met, but if an employee has been here for 10 years, even though there is a minimum requirements for certain positions, HR should be able to recognise the person's experience and performance over time and not just say because of qualifications we can't consider. if the person is from outside yes its fine because we don't know that person. But if it internal employee, the rules have to be changed not necessarily waived, but there has to be other factors, not just qualifications. They ended up taking someone from outside and not promoting the existing employee because of qualifications.*

➤ **Poor role facilitation**

This sub-theme indicated that HR seems to be poor in knowledge and expertise when it comes to the following:

- **Response time**

Three Divisional heads highlighted that HR response time is poor, which causes departmental delays. Additionally, this is further seen in the challenges themes. As previously highlighted, this may be due to labour turnover in the HR department, which causes the department to always have new employees who are still learning organisational systems.

**Participant number 11**

*So far we have been fortunate to receive all the things we want but they tend to take some time to deliver. They are quite busy people.*

**Participant number 13**

*Not seem like it, they take longer to deal with some issues and this cause a lot of frustration.*

**Participant number 5**

*All I can say is that there are not always up to speed, they always say on some issues, we will come back to you which delays our progress.*

- **Lack of systems**

Technology and systems are also deficient, causing more delays. This is also seen in the challenges themes. Two HR respondents highlighted that currently, the HR department does not have proper technology to service the organisation efficiently and effectively. This implies that Mintek as a state-owned enterprise is very slow in

implementing new technological systems. This is common in most state-owned enterprise as there is too much bureaucracy and rigidity in responding to external changes. Human Resource technology helps HR professionals to be efficient in servicing the organisation.

#### **Participant number 21**

*Yes and No, what is lacking currently is proper systems to like in other units within the HR department.*

#### **Participant number 24**

*We are not there yet, however we have identified good technology system as a gap and currently reviving that section.*

This is in line with Grobler et al.'s (2012) argument that electronic HRM does not only lead to improved services and cost reduction, but also to the goal of achieving organisational competitiveness.

- **Fear and control by higher power**

HR seems to be controlled by the executive management and hence do as they are told without having decision-making ability. They also seem to have a fear of management in this regard. One respondent highlighted that HR professionals seem to know what needs to be done but due to fear, they do not challenge or advise the executive management. This suggests the ineffectiveness of human resource professionals since the literature provides that HRM has a duty to provide advice and guidance to the organisation on different people-related matters. However, the inability of human resource professionals to challenge the executive powers may be due to dual loyalty as the HR department serves the interests of both the management and employees.

#### **Participant number 12**

*Sometimes they know what is supposed to be done but they have developed fear. Due to fear they remain quiet on certain things then the company goes to court because certain things would have gone wrong.*

#### **Participant number 12**

*No, they are used to be micromanaged by the CEO, so they don't know, they should be the custodian of people management but they just do as they are told by the CEO. Sometimes they know what is supposed to be done but they have developed fear.*

- **Turnover**

Data narratives revealed that HR has significant turnover, causing delays in processes due to new staff taking time to learn about the organisation. This leads to an ineffective HR function to provide services efficiently in the organisation. The turnover of HR people at Mintek may be due to frustration caused by the use of manual systems which leads to more strenuous work in delivering services.

**Participant number 14**

*Yes they have good skills, but the challenge is that most of them are resigning, they don't stay longer in the organisation. A 10 year experienced person can just leave unexpectedly.*

**Participant number 3**

*It's a 50-50 situation, some HR people have knowledge of what they do. If you ask something they quickly respond and some take time to respond. But it's difficult to assess whether it's the inability to do the job or it's that we always have new people in HR who always want to learn systems at Mintek before they become effective. So yes it's 50-50 situation.*

- **No link between management and departments**

It was revealed that HR is meant to be the link between management and departments but they are failing in this role. This implies that HR does not play a strategic role at Mintek, as previously highlighted by HR professionals in the themes above. The following respondent confirmed the same:

**Participant number 1**

*They are supposed to be the link between management and the departments in some way and I don't think they play that role at all in my understanding of what HR is supposed to do*

Cristiani and Peiró (2015) argued that there should be an internal fit between human resource practices and other functional areas for competitive advantage.

- **Role versus policy**

This sub-theme revealed that there seems to be a disjuncture between policy and actual roles. The policy is not flexible enough at times, as indicated below.

- **Recruitment**

One of the key areas where this disjuncture seems to occur is at the recruitment level whereby roles cannot be filled due to policy. This entails that Mintek follows policies and procedures in the execution of tasks. There is no flexibility. This is how state-owned enterprises operate, which gives them less competitive advantage compared to private companies.

#### **Participant number 8**

*For example if we want to hire someone with minimum requirements, in my previous experience end of last year we wanted to hire a senior engineer here in the division and the minimum requirements is masters, which is more or less a company policy. But if you can't get someone with masters because of the nature of specialisation in our field we feel that HR should be flexible as the candidates can be further developed. Probably they do understand within the HR field but they may not understand the dynamics of the industry in terms of shortage of skills. Maybe its institutional policy that requires them to stick to the minimum requirements.*

##### **➤ Decisions versus skills**

One HR respondent gave an in-between answer, which however does indicate that HR is not equipped. As much as HR may have skills, their decision making power seems to lack, whereby they do not take decisions on what should happen.

#### **Participant number 17**

*As much as HR is big, there is training management, compensation etc. As much as you are a manager within a specific division, there comes a time where you need to trust the people who are placed in either training or recruitment that they know what they are doing and the information that they are giving you is accurate and as a manager you need to take their advice. So yes we do have the skills, it only takes the people who takes decisions because mostly the experts don't take the advice, they don't take the decisions. They don't conclude on what happens in organisation. They only consult and advice so this what should happen.*

##### **➤ Positions hinder skills**

Relating to the above, HR may have skills but the skills are not being utilised effectively as highlighted by the following respondent:

#### **Participant number 17**

*This HR does have the right skills. I could also say that sometimes you might have the right skills under you but not able to know how to utilise them or for example me as a manager unable to receive the skills below me as something that I could take forward. I would rather take my decisions even though I am not an expert in that field.*

### 5.7.1.2 Equipped

There were 7 responses indicating that HR was equipped with knowledge and expertise as shown in the themes below.

#### ➤ **Towards business partnering**

Two HR respondents felt that they were moving towards business partnering which ideally is where they wish to be. There as an acknowledgement from two HR professionals that there is no business partnering but that the plan to move to business partnering is currently in place. This seem to be showing that the current HR professionals are equipped with knowledge and skills which are not currently utilised by the company. HR professionals wants Mintek to implement competitive strategies such as strategic HRM to be in place to effectively show their skills.

#### **Participant number 18**

*Yes, if not the appetite is there. There is room for improvement. As I said previously, currently we are more on transactional but then the improvement is going on business partnering route. That's why I am saying the appetite is there.*

#### **Participant number 19**

*I have explained that we still need to be polished on that. We are servicing people that are highly qualified and we need to be on par with them.*

Azmi (2011) stated that human resource management, which previously dealt mainly with record-keeping and maintenance, has now moved to a strategic partner role.

#### ➤ **Knowledge and understanding**

Two respondent felt that HR was knowledgeable in employee relations, training, recruitment and understanding general HR practice. This implies that HR at Mintek is currently performing basic HR functions and are very good at implementing internal human resource policies and procedures in all HR activities. Moreover, they seem to be able to pass down relevant information of their level to various departments. The responses above confirm the same.

#### **Participant number 16**

*Generally they do have knowledge because they are able to assist in various matters regarding employment relations, training and recruitment.*

#### **Participant number 9**

*Well I have issues along those lines. It can be difficult to compare other people in HR with the ones we always work with. But they are changing all the time. Mostly people handling our HR staff understand the processes and what need to be done.*

Ulrich's (1997) model of competitive advantage argued that human resource management activities involve listening, responding and providing employees with the resources they need.

➤ **Policy**

As reiterated above, one respondent felt that HR seemed to be knowledgeable on policies and was able to clarify such with departments.

**Participant number 15**

*Yes I believe that they have knowledge and skills in everything they do here at Mintek. They are able to clarify certain HR policies that we have queries with and they follow organisational policies in doing their job.*

➤ **Information**

For one respondent, HR did provide information when needed or referred them to someone else if they could not assist.

**Participant number 10**

*Yes I think so, they normally give us the information that we need. If the particular person does not have much information they refer us to someone who will give a clear explanation.*

### **5.7.1.3 Training programmes versus changing needs**

This primary sub-theme examines the suitability of training programmes provided by HR in comparison to the changing needs of employee jobs and organisation. However, it seems to mainly focus on 'soft skills' and not specialised skills. This is because Mintek is highly technical and HR professionals do not have technical skills, hence they focus more on soft skills and allow the Divisional heads to focus on technical training which they can only facilitate. However, data narratives revealed some HR training programs such as project management, disciplinary training and performance appraisal. This helps to equip employees in all Divisions to effectively perform their duties and to understand the human resources aspects of the organisation. This is evident in the following responses:

- **Soft skills**

This was asserted via 9 responses that HR focused on soft skills such as computer skills, Excel, telephone and report writing, presentation skills, amongst other soft skills.

**Participant number 1**

*There is very general training that HR organises such as excel training but if training is very specific to my job there is nothing they can help with,*

**Participant number 10**

*Yes, somehow. Some you ask yourself what am I doing here. For example, most training that we ask are definitely add our skills but if it is something that is arranged by someone from HR it's different. Training like telephone answering course, like really do I need to know how to answer a phone call. I have nothing to do with phone calls.*

**Participant number 13**

*They offer their own programs such as computer training which are relevant for the new recruits.*

**Participant number 14**

*We also have online training which is offered by the Human Resources department such as report writing skills, emotional intelligence, and presentation skills.*

**Participant number 16**

*HR people offers the basic training such as computer skills, excel, presentation skills etc.*

- **Management of time and projects**

Other management-related courses such as project management and time management are offered by HR.

**Participant number 12**

*For the past 5 years they did relevant programs such as time management, project management etc, but now we don't do much training.*

**Participant number 2**

*But they can also have their own training that they organise like project management, stakeholder management. So I think the training is relevant.*

**Participant number 6**

*Project management and proposal writing skills that are good for our divisions.*

**Participant number 8**



*Yes, they tend to focus more on generic kind of skills. For example, project management, they bring an expert to train about project management. I can't really train on project management or I can't initiate to say I want my employees to get training on project management.*

- **Disciplinary training**

Disciplinary procedure training is also conducted in order to teach how to deal with employees and minimise conflict in the organisation.

**Participant number 5**

*They also have disciplinary procedure training to help us understand how we deal with employees.*

- **Performance appraisal**

Performance appraisal training is also done so employees know how to write out their training and development requirements to submit to HR.

**Participant number 14**

*We also have performance appraisal where we write the future training we want to do or attend and submit to the HR department. They then organise those training programs that are stated in our performance contract.*

- **HR facilitates technical training only**

Many respondents indicated that HR only facilitated or organised specialised training and do not actually provide the training. As non-technical professionals, HR makes use of line managers in implementing training programs at Mintek. Literature reveals that through HR devolvment, HR professionals largely rely on line managers, supervisors and senior employees in the training of employees. Moreover, HR plays a facilitation role in training. Data narratives reveal that HR requests training from Divisional heads and supervisors and facilitates the process. The Divisions can also arrange their own training with the help of Divisional heads and supervisors who play the role of identifying the need for training and advising employees on the types of training they can take. This is supported by Kim and Ryu (2011) who stated that for a human resource professionals to be more effective, they should be well connected to the line managers and their subordinates. The following responses provided this evidence.

- **Request from departments**

As affirmed by 7 respondents, the department tells HR the type of training required for staff and HR then tries to organise the training. Technical training is outsourced. Hence technical and specific training requirements are done in joint collaboration with HR and Departmental managers.

**Participant number 13**

*Here we tell them the type of training that we need in our divisions. Such training programs suits our needs as they are specific to our duties*

**Participant number 16**

*We normally request for training if it is technical. Most of the divisions that we have here are technical so the line managers facilitate those types of training programs.*

**Participant number 3**

*They consult with us as to what type of training we need in our departments as we normally identify skills gap with our supervisors.*

**Participant number 6**

*Yes, this is because they ask divisions to provide their specific training programs they wish to be trained on.*

- **Technical or specific training arranged by department**

Sometimes, some departments go ahead and arrange technical training on their own to keep up to speed with latest developments. HR may not necessarily understand the type of training required.

**Participant number 1**

*Training arranged by HR or training arranged by me as a supervisor? It's not always that they participate in training. Something that is very specific to us we just inform them that we are training. We do our own training, so there is nothing for them to facilitate. If I say to my supplier I need training on this instrument, supplier sends me a purchase order and can pay it. I have my supplier for the instrument, so they are the only ones who can train my people and perform evaluations.*

**Participant number 8**

*I can initiate that I want my employees to be trained in this specific skill. For example, I can initiate training on modelling, so that's a very narrow area and not everyone at Mintek need that so they can't really focus on that. They focus on generic skills that apply to most divisions.*

**Participant number 8**

*We as section heads, we also identify who needs to be trained. So we do our own things using our own budget. Most of our training, I doubt if HR really know those things.*

- **Supervisor responsibility**

Supervisors play a key role in determining or advising the course or nature of study for employees to take.

#### **Participant number 7**

*Well that's your choice, you do any training you want to take, but then it's your direct supervisor's responsibility then to say but this is not in line with your responsibilities. But keeping in consideration that this company is so big, we cannot draw a line and say but you cannot study into that division or this division, it's not possible. So we have a very open scope for study.*

#### **5.7.1.4 HR department's capacity for effective management**

This primary sub-theme examines if HR has the right capacity for effective management of the organisation. It appears that HR does have enough capacity in terms of people, but lacks systems and is confined to manual work rather than strategic business partnering.

- ❖ **Do have capacity**

According to 6 HRM respondents, HR does have the capacity to service the organisation in terms of manpower. The HR professionals expressed happiness in this regard. This is to allow HR people to effectively provide services to the organisation without delays as there is allocation of a number of employees to each HR professional to take care of. This may reduce employee dissatisfaction as all employees' needs and concerns can be quickly identified and solved. This was confirmed by the following responses:

#### **Participant number 18**

*I think we do. If I look at about 600 employees with HR we are about 20 so we do have the capacity*

#### **Participant number 20**

*Yes, I think we are adequately staffed.*

#### **Participant number 21**

*Yes most definitely.*

### **Participant number 23**

*We have the right capacity in terms of manpower. The organisation has 529 employees and the number decreases every month. We have 3 HR Business Partners, each one of them is allocated 150-200 employees to take care of. If we look at the industry norm its 1: 150 -200 depending on the level of sophisticated employees companies hire.*

#### **❖ Type of HR work in the organisation**

Despite the number of staff in the HR department, one respondent felt that HR was not doing real strategic HR work, as indicated below:

#### **➤ Sub-standard HR work**

HR seems to be confined to more 'administrative' roles rather than strategic roles. One HR professional highlighted that they need to be given the opportunity to do so. This issue has been raised numerous times in the themes above, which shows that there is much desire for HR professionals to participate to their full potential, assisting the company to gain a competitive advantage. This may be the reason for high labour turnover in the HR department, as indicated in the above themes.

### **Participant number 19**

*I think the number is enough to manage the organisation but my concern is on the skill. I am in HR doing admin work, admin is just admin work but I am not sure if we are at that level of what an HR person is supposed to do in order to manage the organisation. May be we are at that level, it's just a matter of being given the opportunity to just be that aggressive HR person and do what the HR person is supposed to do. I feel like we are confined in some sort that no you are here, play here, and don't step outside.*

A study by Mamman and Somantri (2014) revealed that HR professionals should play more strategic roles than operational roles in the organisation.

#### **➤ Should be business partners**

In relation to the above, HR should ideally be business partners and therefore strive to educate and empower themselves accordingly to fit that role.

### **Participant number 19**

*In providing a proper service like what an HR person is supposed to do, I think we still need more exposure in that and I am thinking that's why they encourage us to study further. This is a research council and most of the people have PhDs so my view would be our HR Business partners especially the Organisational Development they should try to be in that level as well. I think that is the reason why executives are pushing that*

*HR people should study further, get PhDs because we are servicing people who have PhDs to have the same level of understanding.*

#### ❖ **Lack of systems**

Similarly, some responses indicate a lack of capacity due to a lack of systems. This causes staff burnout, inefficiency and high volumes of errors when dealing with employee reports. Data narratives reveal that HR professionals are not happy with the unavailability of technology in the Human Resource department. Mintek has not yet embarked on electronic HRM which provides efficiency and effectiveness in executing tasks. HR staff is doing most of their work manually due to a lack of technology in the department. They expressed concerns that they deal with large numbers of employee records manually, which takes more time to complete and is also causing more errors, thereby causing employee dissatisfaction. This may be the reason why some employees highlighted in the previous themes that the HR response is very slow. This may also be the reason for high staff turnover in the HR department, as one respondent indicated that this causes frustration and burnout. The following responses provide this confirmation:

Grobler et al. (2012) argued that one of the most innovative methods of managing employees efficiently is using HR technology.

#### ➤ **Staff burnout**

Data revealed that due to the lack of systems, HR staff are overworking manually. They are working harder rather than smarter and this is causing staff burnout.

#### **Participant number 17**

*This HR at Mintek, the staff members here don't have the capacity but if we had proper systems in place it will be okay. It might look like we are coping, as much as we are coping on a face value which is the observation, behind the scene the work we are expected to do, I feel like I am suffocating, like I am going to burn out. This is because it's just too many people to service which I feel if we had certain systems in place which depend on company to purchase those systems we might function a lot better and quicker and less exhausted.*

#### ➤ **Inefficiency**

Instead of having systems to generate reports at the click of a button, staff have to work manually and take longer, thereby causing inefficiency.

#### **Participant number 17**

*And that is only depended on the fact that most of the reports that you require will be like a press a button situation and then you get what you are looking for instead of going manually and working with things like Excel, which can be really exhausting. We are coping with people that we work face to face with but at the back end what we need to report on becomes really exhausting.*

➤ **Errors**

Error rates become higher when staff deal with high volumes of manual work, as highlighted in the response below.

**Participant number 17**

*Somebody could say but I don't think they are coping because they are errors on certain here and there. That's due to the fact that the organisation is big, the manual work towards reporting can cause you to do such errors. It's not because we are not capable, we just don't have functions or things in place to provide the outcome of the required results.*

**5.7.1.5 Effectiveness of the tools and resources**

The current tools and resources seem to be ineffective and improvement is needed in this regard. HR respondents commented that the type of resources in their department still needs more attention. This is still referring to the issue of the lack of HR technology at Mintek. However, it seems the current HR professionals are trying their best to service the organisation although lacking technology, as one HR person stated that they are still managing.

➤ **Improvements needed**

There are areas of improvement as asserted by some respondents.

**Participant number 20**

*I think they are effective although we have picked up that we could make some improvements here and there but we are managing. There are areas where we can improve. It's not that we cannot do anything when there are not improvements.*

**Participant number 24**

*There is lot that still need to be done. I think HRM can do even better*

➤ **Need for more technology**

Again, the need for technology ranks very highly, as it presents a challenge to effectiveness. Everything is manually-based and tasks that could take minutes are

taking hours. One respondent rated their resources as 4 out of 10 due to a lack of technology, as seen in the responses below.

#### **Participant number 18**

*Yes we fine. But the challenge is that we still have a lot of project to improve the technology. Currently we are still using a lot of papers which can be slow. It's something that we are currently working on.*

#### **Participant number 19**

*There are many things that I am doing manually. In doing reports there are thing that I should do in 30 minutes but I end up taking 4 hours. For me a system has to work 100%, if it is less 100% then it's not effective because if I put one wrong number, it messes up the whole report.*

#### **Participant number 22**

*The only thing that we can improve on is technology. When you have a bit of more technology, you can run everything easier.*

*On a scale of 1 to 10, I can give our resources a 4 because it's still manual and not systematic.*

#### **➤ More personnel – Learning and Development**

One respondent felt that more staff was needed in the Learning and Development section. This entails that Mintek has more of its activities in training. Training seems to be one of the major activities taking place as there is evidence of internal employee training, bursaries and the employment of graduate trainees. Notably, for Mintek as a highly advanced technical company, it seems that the training department facilitates more training programs in order to equip employees with new technological changes, as facilitated by line managers. This is one of the factors that provides Mintek a competitive advantage.

#### **Participant number 22**

*Human Resources for the learning and development maybe we can have more people, the other units' I think they can handle like that.*

### **5.8 THEME 3: RELATIONSHIPS AND INVOLVEMENT**

This Primary theme is an important one as it emphasises the actual relationships and influence of HR in the organisation. It was informed by three primary sub-themes.

### **5.8.1 WORKING RELATIONSHIP WITH THE HUMAN RESOURCES DEPARTMENT**

The working relationship between HR is not at the ideal level that it should be. Some respondents that did indicate it was good, but a considerable number of respondents felt that it was not ideal.

#### **❖ Good and professional working relationship**

Respondents who indicated that HR's working relationship with other departments was good, provided the reasons that the HR department is friendly towards the employees and they provide the right information when consulted. Data narratives also revealed that respondents have a good working relationship with the HR representatives that are allocated to their Divisions. Any assistance regarding the training of soft skills is always acted upon by the HR department in a professional manner. This is to ensure the effective delivery of services to the organisation for competitive advantage. The following respondent confirmed that the relationship with HR is good, citing the reasons below.

- **Good service**

As asserted by 7 respondents, HR was providing good services to their departments.

#### **Participant number 10**

*I never experience someone from HR, who gave me attitude but whatever we normally ask from them is properly done. I can guarantee you that they are friendly.*

#### **Participant number 12**

*It's very good, I really work well with them. Every time when I ask what I want, they give me the right information.*

#### **Participant number 14**

*The relationship is good, I don't deal with all sections in HR but the 3 sections that I deal with are very good. Those are the 3 sections that I deal with issues regarding internships and bursaries and they are quick to assist*

#### **Participant number 15**

*They are very professional and approachable and they are always available for assistance.*

- **HR representatives**



Each Division/department has its own HR representative who assists with HR matters and guidance.

### **Participant number 1**

*Each division has its own HR representative, should we need anything, we go to them for assistance which include, leave days etc. They are available and approachable for the services that they offer*

### **Participant number 3**

*In this company each division has an HR generalist that assists with questions are quires employees may have in their sections. So we normally get guidance in terms of support.*

### **Participant number 6**

*We have a good relationship, we work well. Each department has an HR representative who assist them with all HR related matters.*

- **Trainings**

HR offers training such as project management, Excel and PowerPoint which benefit some departments, such as the Finance department.

### **Participant number 11**

*Yes, they offer project management training, and excel, PowerPoint which benefit us here in finance department.*

What was revealed above is supported by Gao et al.(2016), that HR professionals are expected to help the organisation to build core competencies and to obtain a competitive advantage.

### **❖ Not Ideal relationship**

There were a high number of responses (+15) indicating that their relationship with HR was not ideal due to the following:

- **Professional differences**

Sometimes, professional differences occur between departments. This is whereby one department's job may unintentionally interfere with another department's work. This is such between Audit and HR. This tension seems to be caused by the nature of these two jobs. HR is responsible for monitoring employee performance, while at the same time, the Audit department is also responsible for monitoring the use of company

funds. The similarity of such activities tends to cause friction in the organisation. One internal auditor revealed this tension as shown below.

### **Participant number 3**

*We sometimes disagree as I am an auditor, they think I am always there to analyse what they do and try to find faults in the departments. I just do my job as an employee of the company just anybody else in various divisions. They just need to see us as people who are there to add value in the organisation and nothing else.*

#### **➤ Limited interaction**

There were 9 responses that implied very limited interactions with HR, for the following reasons

- **HR is only contacted when needed**

HR only seems to be contacted 'when needed', when departments need HR-specific talks to be done. This may be due to the technical activities done at Mintek. Most of the activities are technical in nature and may not require much involvement of HR personnel. There are activities such as training and counselling which do not happen all the time, which limits much interaction with HR. However, each Division has its own HR representative which they probably utilise without visiting the HR offices. The following responses confirm the same:

### **Participant number 2**

*Personally, it's normal, there is nothing special about it. I go to HR when I need to go there and I get what I need when I get there.*

*No, we only go there to update personal records or when we want to enrol a student from university or other admin staff, I think our HR is more admin orientated.*

### **Participant number 8**

*I would say very cordial, every now and again we conduct interviews together and very helpful. I have no faulty so far, I don't know about the near future.*

### **Participant number 9**

*We don't interact all the time. So as I say if we need anything we have our contact person, we speak to her, if she can't handle it she direct us to the next person in HR.*

- **Response time**

As mentioned in other themes, response time is poor and this frustrated departments.

The Divisional heads indicated that they do not constantly go to HR because their concerns take time to be resolved. This seem to be caused by the lack of HR technology as there is too much reliance on manual systems in the HR department.

### **Participant number 13**

*We have no offensive in all things they do, just that they tend to take time to respond to some issues.*

### **Participant number 5**

*I am a little bit disappointed, they are very slow to respond with regard to certain queries*

*I can't go there because they never responded to my issues adequately. Chances are that 1 out of 10 I get help from them.*

Poisat and Mel (2017) iterated that appropriate technology is essential for human resource professionals to effectively store, analyse and manage the flow of human resources information, as well as to quickly respond to organisational needs through the proper management of information.

- **Not knowing who does what**

One manager did not know who at HR does what and hardly asked for assistance. This seems to be caused by labour turnover in the HR department. The department always gets new employees, as indicated in the previous themes. However, this ends up causing confusion amongst the employees, as highlighted by the following respondent:

### **Participant number 5**

*I don't actually know someone there that helps on different matters. I don't know who exactly deals with what, so I don't normally go there.*

- **High HR staff turnover**

HR seemed to have a high staff turnover, which meant getting new HR representatives frequently, which in turn brought its own challenges. As provided in other themes, this seems to be one of the reasons for low response times, as new employees may take time to learn company systems.

### **Participant number 6**

*The problem is that these human resource people are leaving the organisation at a faster rate. Each time we get a new HR representative. We have had 5 HR representatives in a short period of time, about a year to 2 years.*

## **5.8.2 LEVEL OF PARTICIPATION IN REVIEWING COMPANY POLICIES AND PROCEDURES**

This sub-theme examines the level of HR involvement in company policies and procedures. It is dependent on various factors as outlined below.

### **5.8.2.1 Policy review**

HR seemed to be involved from a review and input perspective when it came to policies. The implication thereof is that Mintek responds to external changes through continuous reviews of policies. It was also revealed that Mintek reviews its policies after every three years. However, the three-year period seems to be a big gap since the external environment is changing at a faster rate. This may be the reason for state-owned enterprises responding slowly to external changes. The following subthemes and responses provide confirmation:

- **Input and improvement**

Data narratives revealed that HR professionals were part of reviews and input into policies towards the improvement of HR practices.

#### **Participant number 20**

*We are quite involved. Here whatever policy needs to be reviewed, all employees get an opportunity to have an input.*

#### **Participant number 24**

*I am involved in reviewing, amending and giving suggestions for improvement etc.*

- **Currently reviewing**

Due to the ever-changing environment, HR was embarking on a review process of policies so that they are aligned to current times.

#### **Participant number 17**

*But we are totally in a different environment and everything is fast. So as we come in we are starting to raise issues of reviewing the policies to work to our advantage. It's something that we are considering and it's in progress and hopefully it shall be approved as requested and the board still need to decide on that. We might not agree but we hope we do agree.*

- **3-year interval period of policy review**

Data revealed that policies at Mintek are usually reviewed every 3 years in order to ensure that they are all benchmarked. This implies that there is some response to external demands as there is a policy review in the organisation. However, the three year interval seems not to be effective in this ever-changing environment.

#### **Participant number 22**

##### **How often do you review company policies?**

*Our policies gets reviewed every 3 years. All policies that are in the systems are reviewed every 3 years and that's where we need to make sure that they are all benchmarked.*

The above responses are supported by Ulrich (1998:125) who iterated that HR departments should become agents of continuous transformation. This is supported by Kim and Ryu (2011) who postulated that when enterprises respond to environmental changes, the HR managers should participate to build flexible organisations.

#### **5.8.2.2 Dependant on length of time at organisation**

This sub-theme revealed that policy review is dependent on old and new employees as provided in the following subthemes:

- **Older employees**

Data narratives revealed that older employees prefer to maintain the status quo in the organisation. They do not advocate for change. Hence Mintek may have many older people who are comfortable with the status quo. However, this seems to limit organisational response to the external changes, thereby affecting organisational competitiveness.

#### **Participant number 17**

*It depends with how long you have been working with the organisation. Some people have just learnt to leave with the way things are,*

*The older generation they are just okay because this is how it has worked years ago.*

- **Newer employees**

Linking with the above, Mintek has a mixture of newer and younger employees who feel the need to change things. One HR respondent highlighted that operational practices at Mintek can be done differently. This entails that the younger generation is mostly affected by the current status of Mintek in terms of its policies, which they feel should be changed. The following response confirms the same:

**Participant number 17**

*But then the generation that is coming in which mostly some of us feel like things should be done differently now.*

Glenn (2012) stated that since the older generation is now retiring, public sector organisations should look for new ways of attracting younger generations and adjust to their needs. In addition, Williams and Turnball (2015) iterated that organisational structures and cultures are being influenced by Generation Y because of their different approaches in dealing with work.

- **Executive approval**

It was revealed that all Mintek policies, even after HR input, must go to the executive board for approval. This is a common practice in most companies in both the private and public sectors because the executive management plays an oversight role in the organisation, which is one of the executive management's key responsibilities. Two HR respondents provided evidence of this below:

**Participant number 18**

*They call HR team for about 2 hours to provide input on policy reviews. Then we provide the proposal to the board for approval.*

**Participant number 19**

*After reviewing it has to go to the executive for approval but I consult my team during review.*

- **HR policies only**

Two respondents affirmed that their involvement was only in HR policies at Mintek. This involvement of HR people provides Mintek with a competitive advantage since their input is considered in policy reviews. HR professionals are specialists in their field and they tend to participate effectively on matters and policies concerning human resources management.

### **Participant number 18**

*Only for HR Related policies we are fully involved. We even have the sessions where they call HR team for about 2 hours to provide input on policy reviews. Then we provide the proposal to the board for approval.*

### **Participant number 22**

*Yes we do the policy reviews that are related to HR.*

This is supported by Galang and Osman (2016) who postulated that the changing landscape has provided HR professionals a chance to gain influence in the organisation by embracing new roles that add value, not only to justify their existence.

- **First time participation**

One respondent conveyed that it was their first time and it seems to be a long process with too many steps to follow. This is because Mintek, as a state-owned enterprise, has a bureaucratic structure where everything goes through a normal hierarchy which takes more time to get feedback. However, this is one of the characteristics of state-owned enterprises. The following respondent provided this confirmation:

### **Participant number 19**

*Since this is the first time I am doing this, I am not sure but I think it will take time based on the other factors that we have seen. For example, there are too many steps in a process that can just be simplified.*

## **5.8.3 EMPLOYEE MORALE**

Employee morale is currently low, as asserted by all respondents. The findings below suggest that restructuring is a major factor that caused low employee morale during the time of this study.

- **Changes and uncertainty**

Data revealed that restructuring has brought substantial changes and uncertainty to the organisation. These changes do not seem to be communicated or managed properly and this has negatively impacted on employee morale. This was affirmed by 11 respondents.

### **Participant number 1**

*No, because of lot of changes happening not properly managed. So uncertainty is very high.*

**Participant number 13**

*Not high at all, currently there is uncertainty in our environment, myself I don't know exactly what is going on*

**Participant number 14**

*Not at the moment due to the transition which is taking place. We are going through a phase which is making other people uncomfortable as it may cause the loss of other people's jobs*

**Participant number 2**

*Currently it's low because they are changes, when changes are happening people worry, there is also rumours being spread too much.*

**Participant number 20**

*Look, I think right now it's a little bit low, it varies from time to time. We manage it as we go and it can be..... Because of a lot of things. We are going through transformation and obviously its normal that we feel uncomfortable because we are not 100% sure of what is on the other side. We are promised 1, 2, and 3 but there is that human nature were we feel worried and I think it's normal.*

These responses are supported by Brody and Murali (2014:99-100) who state that restructuring can produce negative side effects for the organisation, and it can disturb some patterns of internal communication.

- **Job insecurity**

Relating to the above, job insecurity has become one of the main determining factors of low morale, as supported by 7 respondents. People are afraid of losing their jobs due to the changes currently taking place. This contradicts the benefits of working for the organisation.

**Participant number 13**

*People have fear of losing their jobs due to some sort of changes.*

**Participant number 14**

*Not at the moment due to the transition which is taking place. We are going through a phase which is making other people uncomfortable as it may cause the loss of other people's jobs.*

**Participant number 3**

*Skills of people are being reviewed in order to go back to our mandate. So the morale is very low because people are afraid of losing their job due to this process and some people are currently resigning as they feel that there is no future.*



Coetzee and Schreuder (2016:549) argued that downsizing causes much stress for employees and has an influence on the work behaviour of the workforce.

- **Lack of communication**

Compounding this is the genuine lack of communication with employees. This leaves employees feeling helpless, confused and without any knowledge of their jobs and welfare. Moreover, 'rumours' may be circulated, which further hinders morale and also causes staff not to trust management.

**Participant number 16**

*There is confusion as there is no communication from management.*

**Participant number 2**

*Some kind of propaganda and it affects people who are not well informed. I am not affected because I am well informed. Other people don't know who to listen too because rumours are coming from everywhere. Because we have a communications department here. May be the communication department is not getting the right message from the executive management. If management want to dispel all the rumours they need to come up with a clear message, but they are not yet doing that.*

**Participant number 6**

*There is no proper communication from management about what is actually going on. Employees no longer trust management at all, there is now a gap between management and employees due to lack of trust and communication regarding what is happening.*

Isabella (1990) cited in Kim and Ryu (2011) iterated that when organisations undergo a change process, workers tend to develop different interpretations and views about the change if there is little or no information.

- **Staff turnover and leaving for better options**

A lack of communication in turn leads to high staff turnover. Staff are leaving for better options, inclusive of managers, as indicated by the respondents below.

**Participant number 11**

*At the moment we are going through some issues. Of course people come and leave for greener pastures and it happens in all companies.*

**Participant number 6**

*Already three managers left in July.*

### **Participant number 7**

*There is communication but it's very vague because the people that try to give information does not really have answers, even when you ask there is no real answers which makes it very tough. It's definitely starting to show that people are now getting tired of waiting. Yes people are resigning.*

- **Frequent change of leadership**

An important point was made by 3 respondents that even leadership was changing due to turnover. This means that people who are meant to steer and direct the organisation are leaving frequently. The new leadership comes in with new ideas and original plans are changed, thereby causing more confusion.

### **Participant number 13**

*People come and go, we have a new CEO, and they have been changing in a short period of time without seeing the results of their strategies. Another CEO can come with his own strategy then he left in the middle of implementation then another one comes like that and so on.*

### **Participant number 16**

*There is always new management, like now there is a new CEO and they always come with their own new ideas which are different from the previous CEOs. So we always subjected to new things in a short period of time due to changes in management.*

### **Participant number 4**

*No, in the past 2 years we have had 4 CEOs. One CEO his term ended and others were in the acting capacity so they left. When one CEO leave another one comes and give you hope creating strategies that we think are going to make us a better organisation. They come with different views. So we have mixed emotions because of that as we invest our trust in someone and then they left.*

- **Economic downturn**

Mintek's clients are mines in South Africa and the mining sector seems not to be doing too well, as highlighted by the respondents below. Economic downturns seem to be the reason causing Mintek to want to reduce labour. However, the economic downturn is also causing many similar organisations to downsize, which in turn means losing staff.

### **Participant number 11**

*At the moment the mines and research have been impacted by the economy and business is not as good as it used to be. We are all affected across the country. Most*

*mining companies are retrenching, so here we have never been retrenched and that's something good, we manage our costs.*

#### **Participant number 14**

*Again the mining sector is not doing well and it affects us here because they are our clients, we service the mines. Mines are closing down which directly affects our operations here.*

The Dynamic Capabilities theory by Teece et al. (1997) argued that the external factors affecting the organisation cannot be ignored when creating the strategies that provide competitive advantage. Thus, Mintek was responding to the external environment for survival.

- **Remuneration**

Data narratives revealed that salaries at Mintek are not competitive. This may be the cause of labour turnover at Mintek as employees move for better salaries. However, Mintek seems to be compensating for low salaries with leave days, as the previous themes highlighted that Mintek is generous when it comes to employee leave days. This was confirmed by the following respondent:

#### **Participant number 9**

*Like I said, one of the big things is the salaries. Mintek doesn't pay much, particularly like the engineers are not that competitive.*

### **5.9 THEME 4: BENEFITS DERIVED FROM HRM**

This important primary theme examined the organisational benefits derived from HRM. It is informed by three primary sub-themes as these collectively examined benefits from different angles.

- *Benefits of current HR practices for Managers and Divisional heads.*
- *Benefits that accrue to the organisation from HR functions.*
- *Benefits received versus other similar organisations.*

#### **5.9.1 Benefits of current HR practices for Managers and Divisional heads**

This key sub-theme examines, from a Divisional head perspective, if HRM is benefiting departments through their HR practices. However, there seems to be almost an equal amount of responses that indicate how HR does benefits but also does not benefit the

organisation. This can imply that HR is not at its optimum in benefiting the departments.

#### **5.9.1.2 Does benefit**

HR is seen to benefit managers and the departments in the following ways as represented under the following sub-themes:

##### **➤ Recruitment, development and training**

Recruitment, training and development is one of the key benefits delivered by HR.

##### **• Training and skills**

HR facilitates training for departments and also does soft skills training for staff. They hence become the link between the employer and employee in this regard. This signifies that HR responds to external forces and provides relevant training for the organisation to remain competitive.

#### **Participant number 11**

*Yes, in terms of training they do project management, excel, and leadership courses internally. We as finance we are very happy to get those trainings.*

#### **Participant number 16**

*Yes they are benefiting the organisation through providing of skills which is part of training*

#### **Participant number 10**

*Yes, it's part of HR, remember as an employer you also have to provide some skills development to your employees so HR play that role between the employer and the employee where they facilitate such process.*

##### **• Recruitment and sponsorship**

As discussed in the role theme, HR benefits the organisation by managing the recruitment process. HRM also manages the sponsorship process, which is important in terms of recruiting and nurturing new skills.

#### **Participant number 16**

*They facilitate recruitment process which brings skilled and qualified people to the divisions.*

#### **Participant number 14**

*Yes, their programs do benefit us. I often deal with HR in sponsorship programs only, where I am involved in the shortlisting of potential candidates to undergo our sponsorship programs. I often interact with HR at that level.*

➤ **Leadership and organisation**

This sub-theme shows that HR has benefits for the leadership and organisation as a whole, as indicated below.

- **Specialised departments' reliance**

Data revealed that specialised departments are experts in their field and disciplines. HR is not their forte. Therefore, they do rely on HR to handle the issues of performance management, training and other human resource-related issues.

**Participant number 8**

*Personally I think yes. There are some things that we can do as technical people but there are a lot of things that we cannot do so we rely on HR. Mintek is a big organisation which is highly specialised institution, this whole floor is a Pyrometallurgy section, we are confined to a narrow specific discipline of high temperature processing as opposed to other mineral industry, we have got our own niche another division has its own niche so for you to understand the human resources aspects, performance management, training issues, I think HR is really helping a lot.*

- **Assists executives**

Leadership is assisted whereby HR does the ground work, going out and trying to find proper skills for the organisation. This signifies that HR at Mintek relies heavily on external and competent facilitators who have knowledge in a particular field to help in improving company objectives through training. The following respondent confirms this.

**Participant number 10**

*The executive and management cannot go out and see what kind of skills we need to be empowered on so yes HR can suggest together with management from their meetings they normally conduct.*

- **Whole organisation**

Data revealed that HR brings benefits to the entire organisation. This entails that HR roles are beneficial to employees at Mintek. HR services at Mintek do not have boundaries as the needs of all employees are met viz training, employee wellness

programs, remuneration and better working conditions in order to create a competitive advantage. The following responses confirmed the same.

#### **Participant number 1**

*I can't imagine myself doing it, any of those things they do. I personally don't have time for it, so in some ways, it's benefiting me but honestly the whole organisation.*

#### **Participant number 1**

*But generally speaking I would not have time to be sorting out people's payroll, I would not have the resources to do that, so they play that role.*

A Competitive Advantage model by Ulrich (1997) argued that by having active employee champions who are HR professionals that have an understanding of employee needs, it can lead to the increase of employee contributions in an organisation.

#### **➤ Communication and resolutions**

HRM brings benefits in relation to communication and resolutions, which is needed when it comes to staff.

#### **• Communication**

HRM benefits departments in communicating organisational policies and changes to policies. They also become the contact person since HR persons are deployed to every department for staff assistance. This implies that HR has an overwhelming desire to quickly provide services to each individual. This has an impact in improving response times to queries in serving employees at Mintek. Problems can be quickly heard and resolved.

#### **Participant number 10**

*They also have a role of letting us know of the new policies. They let us know of the new amendments and they organise some meetings to update us. For example, there was an issue of paternity that was amended sometimes last year in January if I remember very well. So it was a role of HR to inform us that paternity we are not entitled to 10 days paternity leave.*

#### **Participant number 9**

*Yes, they benefit. We have our HR, who is the main contact person in this division. So if we have HR issues we go to that person. If she can't handle the matter herself, she normally sends you to a right person.*

Ulrich's (1997) model of Competitive Advantage argued that due to an ever-changing

environment, the main activities for the HR people are listening, responding and finding efficient ways to provide resources to employees to be able to meet changing demands.

- **Disciplinary resolutions**

HRM manages the disciplinary process and resolutions, which is important when it comes to staff. This shows that HR at Mintek plays a pivotal role in ensuring that a peaceful and harmonious environment is created, helping in reducing internal disputes in the organisation. The following responses confirm the same:

**Participant number 16**

*They manage the disciplinary issues in order to create a peaceful environment.*

**Participant number 7**

*Yes, I must say I see them as beneficial but any systems has short comes. It's easier for me to say to HR that this guy need a warning based on 123 then they say okay we can prepare this for you to be issued.*

The model of Competitive Advantage by Ulrich (1997) provided that HR professionals have the role of ensuring that fair hearings for employees who experience difficulties with their management and work colleagues are conducted.

- **Recognition**

HR also recognises employees' performance and provides them with bonuses, which motivates employees at Mintek. Valuing and rewarding employees' contribution motivates employees in the organisation. This benefit seems to be well recognised by some employees at Mintek since the data narratives revealed that salaries at Mintek are currently not motivating.

**Participant number 15**

*HR recognises performance of individuals and provide them with bonuses which motivates our employees.*

**5.9.1.3 Does not benefit**

However, there was a strong response rate of 16 responses indicating that HR was not benefiting the organisation. This was represented under the following sub-themes:

- **Methods and operations**

There seems to be a lack of benefits when it comes to the following in terms of methods and operations;

- **Response time**

Data revealed that response time seem to be a major concern as HR takes more time to respond to people issues. This seems to be caused by the lack of technology (as mentioned in the challenge theme), old and outdated policies, and too many reporting channels. However, HR needs to find ways to speed up their response time.

**Participant number 1**

*There is also weaknesses in the sense that they are things that I could have done quicker but the processes in place can delay you and that can be annoying*

**Participant number 10**

*But from our end as well we can also see that the technology is shifting, we are approaching fourth industrial revolution so we can venture into such but we don't have a final say to say I want this program. We have to go through management then HR has to give a green stamp from the top management. They also have a role of letting us know of the new policies.*

**Participant number 4**

*It normally takes much time for decisions to be implemented should they have one. So whatever they do, there is a bureaucratic structure.*

- **Lack of newer methods**

Some methods are poor when it comes to recruitment, whereby traditional methods are used rather than using newer methods that can be more accurate and efficient. Mintek is still using an old manual system in recruitment, which takes more time, leading to the loss of potential candidates. This is a common problem in most SOEs as they take time to respond to new efficient and effective operating methods.

**Participant number 3**

*They are not effective in their interview process. They don't have proper system in recruitment and selection, it's not advanced. They use one method of screening which is the use of interviews rather than focusing on other methods such as psychometric test.*

- **Practice negates policy**

Furthermore, HR practices tend to conflict with policy at times which then makes policies even more redundant. Some of this pertains to staff working hours. HR professionals are trying to implement new innovative ways in response to the demand



changes in order to remain competitive. However, some policies are becoming an obstacle as they need to be followed, which hinders progress due to their rigidity.

### **Participant number 3.**

*We also have flexi-hours where we decide the time that we want to start and finish work as long as you work within the company policy. However, there are a lot of contradicting policies which need to be reviewed. What is currently happening in the organisation is not documented, it's not in line with the company policies as there is a lack of consistency in practices and policies.*

- **Lack of understanding in training**

Data revealed that since HR professionals lack much understanding of other specialised fields at Mintek, it has also become the responsibility of the departments to source their own specialised training facilitators. In these cases, HR is only seen to be doing administrative duties to support training and provide soft skills training programmes.

### **Participant number 3.**

*We are also a diverse company, for example we have technical and science divisions and people in those departments and other departments need to be assisted with relevant skills to do their job effectively. Training function is within the divisions not from HR department. HR department, their role is just to administer training activities by taking people from outside for training which costs the company. HR should have qualified people who understand different organisational activities for them to be effective and know what needs to be done in other departments. HR generally offers training programs which lack practical aspects, they just offer soft training programs which may not benefit specific departments in the company.*

- **Politics and Authority**

Data revealed that there are organisational politics affecting HR's delivery of services for the benefit of the organisation.

- **Politics**

The politics of being a state-owned enterprise brings its own 'red-tape' at Mintek. HR professionals at Mintek, although they may have innovative skills to create a competitive advantage, are limited by the bureaucratic structure which exists in SOEs. The following respondent confirms this assertion:

### **Participant number 4**

*You know this is a state-owned company, there is too much red-tape which they can't control.*

- **No control or decision-making authority**

Based on control and decision making, the organisation is seen to be bureaucratic in nature. Therefore, some decisions are implemented at executive level where HR has not much input. This means that the way in which HR is designed at Mintek does not give them power and authority to effectively implement human resource strategies that are meant to benefit the organisation.

**Participant number 13**

*Not really but they do their best, this is a beauracratic organisation, most of the things are decided by the executive. HR just tries but they don't have much control of most of the decisions. When it comes to transferring people from one division to another division is actually a problem and that cannot come write as HR is failing to manage that process.*

**Participant number 4**

*They are very limited in terms of the strategies or advices they may want to provide because of the hierarchy.*

➤ **Departments doing HR Work**

Data revealed that departments do end up doing work that is meant to be done by HR which can be frustrating, as highlighted below.

- **Ability to hire independently**

Departments appear to have the ability to be able to hire staff independently, as they choose who to interview and hire. HR seems to do the menial role of just organising the interviews. Mintek has many technical divisions which are complicated for HR people. HR professionals seem not to have much understanding of the duties and responsibilities of other technical staff at Mintek.

**Participant number 12**

*No, actually we could do without them because we choose our own people for employment in our divisions, we choose who to interview and hire. What they do for us is to call candidates for interviews and do the background checks.*

**Participant number 15**

*We only need HR when we get stuck. For example other positions in the division like assistant posts can be decided by us.*

➤ **Turnover and benefits**

There seems to be a lack of advantages presented when it comes to the areas of HR staff turnover and benefits.

- **Employee salary and benefits**

Salaries are not competitive and employee benefits are not well structured or optimised. This means that all benefits are deducted from the salary. Hence it can be confusing when coming from the outside and one feels that their package will be high, but only to find out the harsh reality when they see the deductions that are implemented. HR does not seem to be trying to improve on this, as provided by the following respondent:

**Participant number 2**

*Here at Mintek, they don't because personally I think they don't optimise employee benefits. For example, when you are coming from outside they just say to you your package is going to be this amount. What they don't tell is that everything else that you would pay for will be coming from your package, like your tax, medical aid, pension fund will be deducted. If you look at it that way it means that someone working somewhere else with the same package would be earning more than us here. I do think it can be done differently because they don't explain how your package is going to be structured and deducted. So people come here and after a while they get disappointed because when they go to the bank than when they realise that the money has been chocked into pieces. I think that our HR can find out from other HR departments, what are the best practices in terms of restructuring and attracting packages that will retain staff.*

- **Turnover**

There is a high HR staff turnover at Mintek, which slows down HR processes even more when new HR staff need to learn their internal HR processes. This affects recruitment and training processes, amongst others.

**Participant number 5**

*Sometimes I think they change too much and the new people take time to master the HR systems of this organisation. We have monthly divisional meetings where they teach people about company policies to do with study leave days and medical aid. They also keep us informed of what is happening in the organisation. Sometimes during training when we ask them questions they say we will come back to you which sometimes draw us back.*

**Participant number 6**

*Training programs are not being followed properly due to staff turnover in the HR department. The new people that always come can't follow through what has been happening in the department.*

### **5.10.1 Benefits that accrue to the organisation from the HR function**

These sub-themes examined the benefits that HRM adds to the organisation from the perception of HR practitioners, as represented by the following factors:

#### **5.10.1.1 Retention focus**

Data revealed that the retention of staff was a key focus at Mintek, which seems to benefit the organisation in the following ways:

##### **➤ Study and training benefits**

Employees are given significant opportunities to study so that they can upgrade their knowledge, skills and competencies. Hence staff are always being encouraged to pursue their studies. This helps to maintain and improve Mintek's skills-base to remain competitive. Furthermore, as a research council, Mintek needs to constantly upgrade its workforce.

#### **Participant number 17**

*Yes, I am more placed on the learning and development area which I do see as beneficial. We are constantly provide the service of employees of this organisation to upgrade their knowledge. We are constantly advising people that they could go to school and this is what you could do and make sure the process of getting approved for funding and studying further is available. So in my space yes.*

#### **Participant number 21**

*Yes, study assistance programs and internal / external training provided to staff to enhance their skills to be able to perform better in doing their jobs.*

Schuler et al. (2011) argued that the success of any organisation is dependent on how talent is effectively managed and developed.

##### **➤ Leave days**

There are more leave days given to staff- annual, study and maternity leave. Data narratives show that Mintek is too generous on leave days to its employees. This may be due to the nature of the work at Mintek, which is highly technical and needs employees to rest and stay healthy.

### **Participant number 24**

*Yes, they include leave accrual i.e. maternity, annual, study leave etc.*

#### **➤ Bursaries**

Bursaries are provided to staff and university students who can work at the organisation after their studies. HR at Mintek advocates and supports the bursary program for employees.. This allow employees to acquire qualifications at zero costs but for the benefit of the organisation.

### **Participant number 17**

*We get a pipeline of people that might work at Mintek or might not even work at Mintek but we are benefiting internally and externally buy giving bursaries.*

#### **➤ Staff permanency**

HRM provides opportunities for permanent employment for those who join the organisation as graduates and who show potential. This implies that Mintek believes in talent acquisition and talent retention. Graduates are given the opportunity to understand the organisational culture and systems before being offered job opportunities. This creates organisational citizenship behaviour at Mintek as this is evident in the following response:

### **Participant number 17**

*We bring outside learners who require experience in their different disciplines. They work here and gain experience and may be when we see potential in one of them in some cases we do take them permanently.*

#### **➤ Monitoring of turnover and staff issues**

Data revealed that staff resignations are carefully monitored and HR does investigate the reasons for such turnover to apply proper intervention. This helps the HR professionals to deal with particular problems that affect employees at Mintek and thus reduce labour turnover. However, this is also done to reduce the recurrence of the same problems in the organisation as this may lead to industrial action when continuous.

### **Participant number 23**

*Over and above that, if a particular division is getting a lot of resignations and analyse why those people are leaving. If it is because of leadership as an example we*

*approach the divisional manager together with executive to analyse what exactly about leadership that is lacking and provide an intervention.*

#### **5.10.1.2 Service**

This sub-theme revealed that HRM works to enhance service delivery to/of the organisation for competitive advantage.

##### **➤ Self-service systems**

Some degree of self-service systems have been put in place for the effective delivery of services. This is a positive move from HR administration towards a reduction of paper-based work. This function is used by many employees in the organisation as it deals with employee records. There is need to eliminate errors on employee records in order to provide accurate information on matters pertaining to employee training, remuneration and other benefits. Hence the need to have some form of technology to smooth these administration activities.

#### **Participant number 19**

*From the HR admin space, we have introduced an employee self-service system which reduces paper work and saves time. Even though we are still behind, the on-line system we have introduced is doing better.*

Marler and Parry (2016) provided that in organisations where the administrative function is dominant, there is need to build an efficient administrative infrastructure, namely tracking job requisitions, managing employee payroll, benefits programs and employment equity compliance.

##### **➤ Service delivery**

This sub-theme revealed that HRM tries to ensure good customer relations in the organisation and shows that the HR department makes an indirect contribution to the success of business objectives. By making internal customers happy and motivated through different HR strategies, the organisation will be able to achieve its intended goal and obtain a competitive advantage, as highlighted by the following HR respondent:

#### **Participant number 18**

*We are giving the good customer care to the business. We have a good relationship with our clients. Our clients are the people we are servicing.*

Cantarello, Filippini and Nosella (2012) assert that a firm cannot only be innovative by launching new products, but also by offering innovative services to their customers.

### **5.10.1.3 Aligning people to business**

HRM ensures that staff are aligned to the business's vision and plan by ensuring that they have the right skills and knowledge to contribute effectively to the vision. In relation to the above, this also shows that HR at Mintek supports the organisational objectives by ensuring that employees have the necessary skills and competencies to serve the organisation for competitive advantage. HR seeks to create employee behaviour and culture that is aligned to the vision of the organisation.

#### **Participant number 23**

*For us it is the support that we provide. For example, the organisation went on a drive for business plans. Each of the business plan was actually in the strategic direction of every division. As an example one division would say, in the next 3 year they will bring 40 million as profit. As HR we now need to come in and translate that into a people goal and support with the right staff or right skills that will help generate that income.*

Amos et al. (2016) stated that human resource professionals should shape employee motivations so that they are able to initiate, guide and sustain human behaviour in the direction required by the organisation for competitive advantage.

### **5.11.1 Benefits received versus other similar organisations**

This sub-theme examined the benefits of the current organisation to other similar organisations.

#### **5.11.1.1 No benefits**

There were 16 responses indicating that there were no real benefits for working for the organisation compared to others. Data narratives revealed that Mintek is far behind other companies in its industry in terms of medical aid benefits, housing allowances, 13<sup>th</sup> cheques and subsidised pension. Mintek seem to be compensating this with generous leave days and scholarships as retention strategies. The following responses confirm the same:

#### **Participant number 1**

*In terms of other benefits such companies would subsidise medical aid whereas here it's not done but then some companies would package it and say you get the money*

*and you go and pay medical aid or I pay for the medical aid and the rest is cost to the company.*

#### **Participant number 10**

*For example, we have no medical aid allowances, house allowance, we have no 13th cheque here. Surely*

#### **Participant number 2**

*No, you must understand, this a government agent. We work for mining companies, I come from mining companies. The person who is in mining at my level might have more benefits than me. We are a government agency, the people working for a government department like department of water have more benefits than us, and for example, they have access to government employee medical schemes. If I was in HR I would fight for that benefit because we are a government agency but we don't qualify for that. So I don't think our HR is doing necessary research to maximise on that benefit. Other companies contribute portion towards medical benefits. The only thing they get right is leave, the leave they give us is quite generous apart from that it's nothing.*

#### **Participant number 4**

*Honestly it's not the same, here we don't have subsidised pension and medical aid but they still deduct those things from our salaries.*

##### **➤ Salary**

It appears that employee salaries are problematic. Mintek seems not to offer competitive salaries, which may be the reason for their labour turnover.

##### **• Not competitive**

Salaries are not competitive, as agreed to by 5 respondents. This seem to be caused by the fact that Mintek is a research council which does not engage in mass production of goods for sale as compared to other manufacturing companies and mines. However, employees felt that they should be on par with their colleagues in other companies of their industry. This was conveyed by the following respondents:

#### **Participant number 15**

*The salaries are not the same as they are not competitive when compared to other organisations. That's is why people always resign in this organisation.*

#### **Participant number 16**

*The salary is too little, it cannot buy shoes.*

#### **Participant number 3**



*No, I should be getting more because of my role in this organisation, but the structure is designed such that I get little, but I report to the CEO. The structures are different from company to company so we tend to have different salaries. People in my position outside are getting more salaries than what I am currently getting.*

#### **Participant number 6**

*No, we are way underpaid. The salary is too little*

##### **➤ Political**

Data revealed that Mintek as a state-owned enterprise is vulnerable to politics, as asserted by the respondent below. In other words, if people were on good terms with the management, then they enjoyed their work, as opposed to those that were not.

#### **Participant number 10**

*It differs a lot. State owned institution are too politicised. Those who are close to the boss tend to enjoy, those who found on the opposite end suffers. So the same applies to Mintek here, though the benefits might seem balanced but I am very sure that what CSIR people are enjoying is not the same as what Mintek people are enjoying.*

##### **➤ CSIR, a similar institution to Mintek**

Another response made it very clear that another institution, namely CSIR, was providing much better benefits. They also felt that CSIR seemed to understand employee needs better than Mintek. This signifies that the Mintek management and HR professionals may not be pushing for employee benefits to match Mintek with other SOEs in the same industry. Additionally, this seems to demotivate many employees at Mintek.

#### **Participant number 10**

*What CSIR people are enjoying is not the same as what Mintek people are enjoying. It goes with who is driving the company. May be the person who is driving CSIR understand the needs of his workers so this one may believe that whatever we want we have sweat for it, only certain individuals can enjoy.*

*For example, we have no medical aid allowances, house allowance, we have no 13th cheque here. Surely I am not shocked though, but if one can go to CSIR or other SOEs, same person engineer scientist of my position would be getting something totally different from what I am getting. So it goes with institution and the person who is driving those particular institution.*

#### **5.11.1.2 Benefits**

A small amount of benefits were however reported at Mintek. These were in line with the following:

➤ **Bursaries and study**

The organisation seems to really appreciate employees furthering their studies and hence this becomes their biggest benefit. They promote employees to further their studies to the best that they can, as indicated by the respondents below. This implies that Mintek is a learning organisation that reacts to new changes through employee training and development, which helps in multiskilling employees for easy promotions and transfers within the organisation.

**Participant number 13**

*They sponsor for our studies. You can do a post degree like masters but if your program is for 2 years, you then have to work for 2 years after attaining the qualification. This company values academic qualifications because this is a research company.*

**Participant number 14**

*Mintek supports education better than other companies outside. They provide free education for employees to further their studies. We can go to school full time. For example, our engineer is at school full time, he has been away for 2 years now doing personal studies.*

**Participant number 3**

*Here we get bursaries to study which motivate other people to learn but you have to work for the company for the years that you would have spent doing the studies.*

**Participant number 4**

*Through this system here someone was able to study from matric to master degree level. So that aspect is so beneficial.*

CIPD (2017) postulated that individuals who engage in training activities increase their skill levels and become more productive than less skilled employees in an organisation.

• **Study versus work duration**

After completing their studies, employees at Mintek are required to serve the organisation for the period they spent on their studies. The period they serve should be equivalent to the duration of their studies. This can be seen as a benefit by employees who are looking for stability in their employment, especially in this period

of high unemployment. It also helps Mintek to enjoy the skills and competencies it created through learning and development. This scenario is supported by the following respondent:

#### **Participant number 4**

*After studying, we have to work for the fees paid, if the course is for 3 years, you have to work for 3 years after completing the course.*

##### **➤ Leave**

This sub-theme revealed that leave was also seen as an added benefit at Mintek, as expressed below.

- **More leave days**

Eleven responses supported the fact that the organisation provided a significant number of leave days. As also articulated by the HR professional in the above themes, this sub-theme expressed that Mintek is too generous when it comes to leave days. Generous leave seems to be a compensatory benefit as many employees highlighted that salaries at Mintek are still low and not motivating.

#### **Participant number 11**

*We are very generous in terms of leave days. We have few more days than other companies out there.*

#### **Participant number 13**

*Here our leave days are quite generous. We have more leave days which ranges from 29 to 32 days a year depending on the job grade. That's the biggest benefit we have here.*

#### **Participant number 5**

*We have a very generous leave of 60 days in a 3 year cycle. We have 30 days of normal leave whilst other firm give 10 to 12 days. We have special leave and paternity leave of 10 days. Females are getting 4 months maternity leave with full salary. Maternity leave can be extended to 1 or 2 months but without a salary. Study leave we get about 10 to 15 days a year and salaries are low, and leave days makes up for that.*

- **Leave days versus salary**

In light of the high number of leave days, some respondents believed that this was a way of compensating for their uncompetitive salaries, as reiterated below.

### **Participant number 1**

*That not an HR decision, it's more of company policy. The thing is, things like leave days in this company is a bit different in the sense that they try to accommodate for our salary but offering more leave days. There is a balance you need to work on. So I can say it's comparable, in other companies can have half amount of leave and be paid more.*

*So when seating here and calculate ooh okay if they give me as much as leave days and I take away that salary that is connected to leave days we would probably on par.*

### **Participant number 9**

*The salaries is probably not competitive but we have a lot of leave.*

#### **➤ Wellness**

In terms of employee wellness, Mintek staff were taken care of through the provision of clinic and canteen facilities. This serves as a cushion for employees to avoid spending more money on food and health matters since the working conditions at Mintek can be stressful due to the chemicals, toxic substances and high temperatures experienced in the technical divisions. However, the unavailability of medical aid for employees seems to be compensated for by the provision of a clinic facility at Mintek. The following respondent confirms the same:

### **Participant number 3**

*The company has got a clinic for the employees which is one of the benefit.*

### **Participant number 3**

*and our canteen is subsidised.*

Theeboom, Beersma and van Vianen (2014) stated that employees can function better if their basic needs are met and feel well so that they do not struggle with health-related problems.

## **5.12 THEME 5: CHALLENGES AND IMPROVEMENTS**

This became a primary theme due to its criticality in the organisation. It was informed by 3 primary sub-themes.

### **5.12.1 HRM CHALLENGES IN MANAGING EMPLOYEES**

From the perceptions of the HRM managers, this sub-theme examines the challenges faced by HRM in its management of employees. It was further informed by the following:

#### **5.12.1.1 Departmental Managers' attitude**

For HRM, departmental managers seem to bring challenges of their own when working with HR professionals at Mintek, as described below.

##### **➤ Managers being dictatorial**

It was revealed that Divisional managers can be dictatorial towards HR, which can go against Mintek's policy and procedures. This seems to be caused by high labour turnover in the HR department which causes the department to always have new HR professionals whom senior managers view as juniors and less experienced in terms of Mintek processes and procedures.

#### **Participant number 20**

*Another challenge I can think of is that sometimes line managers dictate other things to us. We have policies and procedures but at time we feel that they want to dictate.*

##### **➤ Managers not dealing with problems**

It was revealed that line managers are not helping their subordinates in solving other simple human-related problems. There are some staff issues which should be dealt with at a departmental level, but some managers direct them to HR. Line managers seem not to have people skills and believe that their roles are only centred on production and manufacturing. It would appear that line managers are not motivated to assist their subordinates, which puts more pressure on HR professionals in the execution of their duties.

#### **Participant number 18**

*Sometimes you find it difficult because employees come here with some issues that are supposed to be dealt by their line managers. But because it touches the human aspect employees just feel that they must come to HR.*

#### **Participant number 23**

*Credibility is another challenge that we face, even other HR people everywhere. This is because of the pace that we move with, most things take long just because most employees come to us on issues that are supposed to be done by their line managers. They end up blaming HR for the things that are supposed to be done by other people.*

### ➤ **Blame game**

HR seems to be blamed by managers and employees whenever things go wrong. This may be due to the employees' belief that as human resource people, HR should be solving all company problems. HR does seem to have a big role in participating in the company's overall objectives, as well as in managing employee wellbeing. This has created the view that HR is responsible for all mistakes in the organisation.

#### **Participant number 18**

*You know they view HR as the scape goat in most organisations, so the challenge is that if anything goes wrong even if it's HR or the divisions, the employees blame us.*

#### **Participant number 23**

*They end up blaming HR for the things that are supposed to be done by other people.*

Kramar (2014) stated that human resource professionals are in an ambiguous position as they contribute to the company's finances through a reduction in labour costs, whilst simultaneously contributing to employee well-being.

### **5.12.1.2 Recruitment**

Data narratives revealed that HR professionals at Mintek face numerous recruitment challenges, as described in the sub-themes below.

### ➤ **Recruitment approval**

Approvals of employee appointments at Mintek are done at a higher executive level. This can bring about a challenge because it is done at the end of the recruitment process. If executive management disapproves, then lots of time and effort would be wasted because Mintek, as a state-owned enterprise, has a structure that is bureaucratic and comprise of many levels of management which need to be constantly notified. This is the nature of most state-owned enterprises.

#### **Participant number 22**

*No, they actually come towards the end when they have to approve so they give us an approval to go and fill the position they let you do the rest of the activities. The only part they play is when they disapprove the final appointment of the person, they might questions as to why we are choosing such a particular candidate. That approval process is a problem, it is still done manually, may be level of approval should be cut down than what we have now.*

Almeida, Fernando and Sheridan (2012) posit that management style and organisational type influence the recruitment process in the organisation.

➤ **Attracting scarce and specialised skills**

Critical and scarce skills such as scientists and engineers are difficult to attract at Mintek, due to salaries not being competitive. This implies that other non-financial benefits at Mintek such as scholarships and leave days seem to be failing to attract scarce skills to the organisation.

**Participant number 22**

*For us here we work with critical skills like engineers and scientists so sometimes to get those particular skills out there in the market is very difficult. I think that's the biggest challenge so we end up having to groom for ourselves. Engineers and scientist in South Africa are not that many.*

**Participant number 9**

*It's difficult to answer that because in our field the skills shortage is quite high so we struggle to find. Particularly we find a lot of people who have just come out from university but to find people with years of experience can be very difficult. For this company the money that they offer is not that competitive and the skills are limited.*

Bratton and Gold (2012) iterated that employee staffing is becoming a serious concern due to difficulties in recruiting candidates with the necessary skills and competencies that match company positions.

**5.12.1.3 Communication and engagement**

Communication and engagement seem to be challenging for HRM.

➤ **No equity in communication**

There seems to be no balance in communication. People talk in their own 'specialised' way and this can be difficult for everyone to understand and leads to misunderstanding in the organisation. This entails that Mintek has more specialised and educated employees in totally different technical and service Divisions. There seems to be a huge professional and academic gap between individuals in the organisation.

**Participant number 20**

*What I can highlight is that we are a science institute, we tend to have a number of employees who are very illiterate. We should not assume that everyone understand what we say. Like if I am in the divisional meeting I cannot talk at a level of a scientist and technical specialist. I should be able to strike a balance so that even the lowest*

*employee can understand the message I am putting across. That's quite a challenge actually.*

#### **5.12.1.4 Outdated policies hindering processes**

Policies take long to be updated, which slows processes. Policies do not consider the latest trends which can speed up processes such as recruitment. This slow response to external demands has caused some inefficiencies in the recruitment process at Mintek and affects Mintek competitiveness in its industry.

#### **Participant number 23**

*Our policies get updated every 2 years so it becomes difficult for us to move quicker because our hands are tied in terms of recruitment. For example, our policy doesn't consider head hunting and if our manager goes to a conference he can't take a person through headhunting as we still need to follow our recruitment process policy*

#### **5.12.1.5 Challenges unique to the organisation**

This sub-theme examined if challenges are unique to Mintek or similar to other similar organisations. According to HRM, 6 respondents felt it was similar to other organisations, whilst 1 found that it was unique to Mintek.

##### **➤ Unique to Mintek**

One respondent came from the private sector and hence it was their first time experiencing a public organisation. This shows that Mintek as a state-owned enterprise is totally different from private companies in terms of internal operations and responding to current external changes. The operations in private companies seem to be better compared to Mintek, a state-owned enterprise.

#### **Participant number 19**

*I don't think so. Maybe if I make examples of the companies that I worked for. This is the first time I am having a challenge. We never experienced the challenges that I am experiencing here at Mintek. I wouldn't know, maybe there are other organisations that are experiencing the same challenges as ours. Maybe it's because their technology was advanced, we didn't have system problems. Things were just running smoothly.*

*They were private, this is the first time working for a public company.*

Kravariti and Johnston (2019) stated that the private sector organisations are still enjoying greater competitive advantage than public sector organisations due to the time-consuming bureaucracy which exists in the public sector.



➤ **Similar to other organisations**

However, 6 respondents felt it was similar to other organisation, especially public organisations. This also entails that state-owned enterprises operate in the same way and are being managed in the same way. The management philosophy and internal structures seem to be the same in many state-owned enterprises. This is evident in the following responses:

**Participant number 17**

*May be we are not the only one but I think these challenges are linked to government or parastatals related organisations because of too much red tape. Everything you have to go through a protocol and sometimes it can give you some disadvantages than the advantages. It can be there for a purpose, may be they try to prevent a company from certain loses but there comes a time where it start to restrict us more than helping us. So that does not always happen with private organisations that runs HR, it's mostly those state institutions like us here.*

**Participant number 18**

*No, it happens. Mintek is not the only company I worked for, we face the same challenges*

**Participant number 20**

*No, everywhere. The type of challenge is the same.*

**Participant number 22**

*Look, I cannot say yes or no, I don't really know, I can't give you an exact answer. But most likely, it could be more work in SOEs , probably the red tape could be more in SOEs than private organisations because private companies they don't necessarily have a long hierarchy.*

**5.13.1 HRM CHALLENGES - INHIBIT ITS POSITIVE CONTRIBUTION TO THE ORGANISATION**

This theme was informed by divisional heads on how HRM-related challenges inhibit positive contribution to the organisation. There were many sub-themes thereof capturing the challenges.

**5.13.1.1 Development**

This is related to developmental challenges in the organisation and it was informed by the following:

➤ **Training**

Data revealed that there are certain changes related to planned training schedules in the organisation. This is evident in the following ways:

- **Inconsistency**

One respondent highlighted that training programmes can be arranged but then later not delivered as scheduled. This entails that HR professionals recognise the need for training in other areas of business but seem to face challenges of acquiring trainers to provide relevant training to the organisation. This may be caused by an unavailability of funds or the scarcity of trainers.

**Participant number 4**

*They can tell us about the courses to be provided, and they can later say they do not have trainers for those courses. May be it's due to unavailability of funds or trainers themselves, or they charge more.*

- **Lack of relevant training**

Training programmes seem to have slowed down as of recently, which could be monetary-related matters caused by economic hardships. Furthermore, there is need for programmes that are relevant to departmental needs. It seems that Mintek is now mainly focusing on affordable soft skills training which do not adequately address departmental needs as indicated by the following respondents.

**Participant number 12**

*Long back, the training programs that were provided were relevant, but now I haven't seen any relevant training program. Money it's due to unavailability of money.*

**Participant number 3**

*So I think they need to find the relevant programs that have an impact on what we need to do here, they should offer valuable programs that help people to do well and improve in their sections.*

- **Lack of career programmes and direction to promotion**

There seems to be a lack of career programmes at Mintek, which hinders internal progression, thus causing people to leave the organisation. This shows that Mintek is comprised of many young employees who seek career growth in their own field. Frustration with being stuck in a single role demotivates individuals who seek career progression, something that seems to be lacking at Mintek, as indicated in the following responses:

**Participant number 6** *The HR does not provide clear career programs. We lose a lot of young people, they leave the organisation within a space of 5 years due to lack of clear career development programs. So people don't progress much.*

**Participant number 6**

*There is no proper skills development programs that really improves your skills. Other companies have well packaged skills development plans but here we don't have. There is nothing exciting, you can't mould your career effectively.*

**Participant number 6**

*There is no structure that is visible, you can't see the areas which you should be promoted into. There is no proper guidance in terms of what I should really do to move through the ladder.*

Mohsan et al. (2012) reiterated that the end result of a training initiative is promotion and if employees' expectations are not met, they might be demotivated.

**5.13.1.2 Staff**

Data narratives revealed the following HRM challenges relate to staffing at Mintek:

➤ **Staff retention**

It was revealed that HR did not seem to know how to retain employees. There were reports of employees that were leaving the organisation due to restructuring that was noticed at the time of this study at Mintek. As previously highlighted in the above themes, HR functions at this stage did not seem to play an active role in the restructuring process at Mintek. HR professionals did not have information to thwart any effect of restructuring to the employees as this was only done at the executive level.

**Participant number 8**

*I would say turnover is something that I have actually noticed especially in recent months but again there is a lot of noise to that because Mintek is going through some structural changes, we have got a new CEO so I am sure there is some anxiety of some sort I don't know why. Industry pays much better than Mintek so you find that HR gets overwhelmed with trying to figure out how they can retain employees. There are a lot of other things that are beyond the institution as a whole, beyond us, not just HR. So I think it applies to most if not all State owned companies.*

Alfes et al. (2010) stated that downsizing or restructuring should be closely monitored and performed by the HR function in an organisation.

➤ **Too much rotation**

Too much job rotation seems to demotivate employees who like to be where they are since adjusting to a new environment may take a while. This rotation seems to be caused by the labour turnover, which results in employees being placed in the positions of the outgoing people.

**Participant number 7**

*Another challenge, they do move people around a lot which is an advantage when you get experienced people, but people's biggest problem is to accept change. Some people don't like to be moved around in different jobs and different time periods. People take a while to adjust to new environment.*

A study by Mohsan, Nawaz and Khan (2012) revealed that when employees are rotated to different jobs in the organisation, they become demotivated in their respective jobs.

**5.13.1.3 Technology and Digitisation**

Data revealed that a lack of technology is a key challenge that severely affects the response time of processes at Mintek.

➤ **Lack of Technology**

Mintek is not on par with other organisations when it comes to HRM technology as it remains manual and paper-based. This has emerged as a major problem affecting Mintek's competitiveness, as highlighted in the previous themes of this study. The HR administration personnel below expressed much concern about the lack of technological advancement at Mintek.

**Participant number 19**

*I am in the HR admin space. So in trying to make the organisation competitive from our side what we are trying to do is moving away from paper based because technology is advancing and Mintek being a global leader, they need also to be at par with other organisations. From the HR admin side we try as much to move from manual intervention to introducing more technological systems when doing our administration work.*

**Participant number 3**

*The main challenge that I see affecting HR department is that they are still using manual process which cause them to take more time in offering services to the company.*

➤ **Too manual based**

Relating to the above, almost everything is manual and paper-based, inclusive of the recruitment process, interviews and manually filling out appointment forms for physical signatures.

**Participant number 19**

*It's basically administration work because our organisation is not technologically advanced, most of the things are done manually. So Organisational Development and Training bring appointment and contracts then we capture in the system manually. For example, employee forms of adding beneficiaries, it's something that can be put on-line instead of manual.*

➤ **Integration**

Data also revealed that there are no integrated systems in the HR department. There is need for systems to be integrated and to 'talk' to each other. One HR respondent strongly argued that some systems for attendance and payroll can be linked to reduce the time and effort of capturing data manually. The lack of integrated systems is caused by an unavailability of technology in the organisation.

**Participant number 19**

*What we are also trying to do, which I think plays a role in making the organisation competitive is to integrate our systems because in Admin we also deal with HR systems so they are not integrated. For example we have time and attendance system and the paying system. So what happens is that an employee can take a sick leave or vacation leave. So when capturing those days on our system, they don't automatically fit onto the time and attendance system so the admin officer has to capture manually. So we are trying to integrate the systems so that they talk to each other.*

Poisat and Mel (2017) stated that an integrated HRIS, with appropriate technology, is vital in organisations as it permits the acquisition, storage, analysis and flow of human resources information, enabling a quick response to organisational needs.

**5.13.1.4 HR Staffing and Turnover**

HR staffing and high labour turnover in the HR department at Mintek present challenges that inhibit a positive contribution towards achieving competitive advantage.

➤ **Turnover**

There is high staff turnover in HR, which means that new staff must learn everything from the start before being able to properly assist. This can be one of the reasons for poor response times to employee needs since new HR people would have not yet mastered Mintek's operating processes and procedures.

**Participant number 14**

*I have seen that high staff turnover is a major challenge affecting HR because we have seen new faces in HR within short period of time.*

**Participant number 3**

*Again many people are leaving in that department and we constantly have new people who still need to learn our systems and in the processes of learning you will later find out that they are already gone.*

➤ **HR overworked**

Data narratives also revealed that due to labour turnover in the HR department, there has been little replacement recently and this means that existing staff must carry the load. Not all HR people were replaced when they resigned since the organisation seems to be trying to reduce the cost of operations. This may justify why Mintek was in the process of restructuring during the period of this study.

**Participant number 12**

*The other challenge is that they are overwhelmed with work because people are resigning in the HR department and no replacements are currently taking place. Those that are remaining are doing the work of those people who have left the organisation.*

➤ **Over-staffed and lackadaisical**

However, one respondent felt that HR is over-staffed and therefore not very busy which contradicts the point above. This means that they can become lazy. There seems to be 24 HR staff at present, which is more than expected, as indicated by the respondent below. Moreover, towards the end of the study, the restructuring process affected some few HR people as they were retrenched on the grounds that they were over-staffed.

**Participant number 5**

*There is high turnover in HR department and there are too many. They don't have enough work to keep them busy, may be they like it that way. If you are not busy you become idle. They are overstaffed, we had a course about Performance Management*

*and the person who was training us, asked the HR person that how many are they in their department. He said they are 24 and that the company has 700 employees. The trainer made the remarks that they are too many, the ratio that is required is that there should be 4 or 5 HR people to manage 700 people here.*

#### **5.13.1.5 Poor Response time**

Poor response time appears to be demotivating employees at Mintek. One of the main reasons for poor response time is the approval process of staff appointments, which is done manually since there is no use of technology in the HR department. As indicated above, the slow response may be caused by new HR people who would be still learning Mintek's operating processes and procedures.

#### **Participant number 3**

*I don't think some of them have the right skills in what they do because sometimes their response time is very low which makes it difficult for us to get the services we want.*

#### **Participant number 9**

*Their main challenge which is not necessarily HR is the processes that need approvals. For example, the interviews for new people in December last year, the memo to approve that we choose people to employ was approved only this week. So the approval process goes through a bureaucracy that is the biggest frustrating issue.*

#### **5.13.1.6 Understanding and alignment**

Data narratives revealed an apparent lack of understanding and alignment of HRM to company departments, as highlighted in the sub-themes below.

##### **➤ Currently no HRM leadership**

It seems that the long-time absence of the HR manager at Mintek brought about some inefficiencies in the organisation since this position was vacant for 7 months. Data narratives revealed that the unavailability of an HR Manager at Mintek made it difficult for HR department to effectively serve the organisation for competitive advantage. This appears to be affecting HRM activities being directed in the right direction of the organisation, as strongly posited by the following respondent:

#### **Participant number 4**

*HR department doesn't get much support since at the moment there is no Human Resource Manager, It's been about 7 months now without the HR Manager but currently there is an advertisement for the position of HR Manager. They haven't found*

*a new person because they are trying to save money. So they don't have strong leadership since the captain is not available. The General Manager for Corporate Services in that department is always busy to support them.*

Gao, Zhang, Zhao, Li and Wu (2016) stated that HR professionals should perform a number of roles in organisations, which include leadership as well as paying equal attention to both strategic and operational activities of the business.

➤ **Lack of alignment**

There is also no alignment between departments because everyone works differently. This seems to be caused by the complexities of operations at Mintek. Employees in other divisions and HR people may find it difficult to understand the technical operations of other departments since they lack such skills as service support personnel. There is need for special training for HR and other divisions to have an overall understanding of the operating systems of all technical divisions at Mintek for easy alignment and interdependency, which results in a competitive advantage.

**Participant number 1**

*The company as a whole is very complex because what everybody does is different and sometimes they is no alignment between departments. There is also the issue of the types of work people do, some of it can be very complex and so for people from HR having a conversation from someone coming from complex space it's not very easy to have that constant communications taking place because they are not aligned in what they do.*

➤ **Lack of understanding**

Data narratives revealed that HR people do not seem to have an understanding of what people do at Mintek. This may be caused by the newness of HR people, as the previous themes highlighted the issue of high labour turnover in the HR department.

**Participant number 1**

*I don't think they have an understanding of what people are doing in this organisation. So they are not part of what is happening so they just see people in the canteen.*

➤ **Lack of accommodation**

In relation to the previous point, it was also revealed that HRM is not flexible towards Departmental needs, as highlighted by the following respondent:

**Participant number 13**

*I can say they lack flexibility to accommodate our needs.*



### 5.13.1.7 Culture and politics

Culture and politics should never be underestimated and the same applies to Mintek as there appear to be challenges related to this, as highlighted by the following respondent:

#### ➤ **Political interference**

Being a state-owned enterprise, there is some degree of political interference which make people scared to challenge the organisation and its leadership. This seems to be the reason why HR professionals are not able to effectively advise their executives on matters pertaining to employee management. This may also be a reason why HR did not effectively participate in the change process that was taking place at the time of the study.

#### **Participant number 10**

*This question is linked to the previous one. It depends, this is a political institution, an SOE which is having a lot of political interference. You know there are things that people will be scared to say because they would be afraid to find themselves on the wrong side of their bosses*

#### ➤ **Fear**

Relating to the above, HRM seems fearful, as asserted by 3 respondents. They do not want to challenge management and would rather toe the line or remain silent on certain issues, as provided in the responses below. This may be caused by too much control of the executive. The design of the organisational structure may not permit HR to influence big decisions in the organisation.

#### **Participant number 10**

*So sometimes you are instructed to do things, you have to toe the line. Someone might have the solution to the problems but due to fear you end up becoming silent.*

#### **Participant number 12**

*Like I said earlier, HR people have fear, they are not empowered to take certain decisions in the company. Maybe they have fear of being threatened by the executive*

#### **Participant number 2**

*I personally think that they don't want to step on management toes. They are also looking out for themselves. Their job is also to safe guide certain procedures. They are scared to approach the top management and provide their advices. It seems they are taking the side of management than taking the side of employees.*

#### ➤ **Organisational culture**

Current culture at the organisation seems weak in the sense that nobody is interested in what others are doing. As previously highlighted in the alignment theme, this may mean that some employees have no understanding of the operations of other departments, hence no interest. There is need for the executives to communicate through seminars and workshops, the vision and objectives of Mintek in order to enhance support from all employees.

#### **Participant number 1**

*So it's the culture that has been created that way and people don't necessarily get involved in what the next person is doing.*

#### **5.14.1 HRM – IMPROVE ORGANISATIONAL PERFORMANCE**

There were a plethora of responses on how HR could improve organisational performance. These were captured in the following sub-themes.

##### **5.14.1.1. HR Personnel**

This sub-theme indicated that there must be improvements when it comes to HR personnel at Mintek, as supported by 8 responses.

##### **➤ Recruitment of HR personnel**

It was revealed that there is need to improve the recruitment of HR personnel at Mintek as there is evidence of high turnover amongst HR people, as well as poor communication. The responses from various divisions raised the following concerns:

- **Staff that will stay**

Data narratives revealed the concern that HR staff recruitment must emphasise taking people who are willing to stay longer in the organisation and promote continuity. The current high labour turnover in the HR department has caused some inefficiencies in the service operations at Mintek. To promote quick responses from HR, HR professionals need to stay longer and master all the internal processes. This helps the organisation to stay competitive as it can have satisfied employees all the time due to accurate and speedy services.

#### **Participant number 11**

*Recruit people that are willing to stay in the company for a long time and offer them training and opportunities to further their studies and be good communicators.*

- **Good communicators**

HR personnel must be good communicators to be able to properly converse with employees when it comes to HR issues and changes in the organisation. This response seems to be related to the restructuring that was taking place at Mintek whereby HR was not entirely involved in the process. This raised the issue of unavailability of communication from HR.

**Participant number 11**

*They are HR people and it's good for them to have good communication skills to be able to communicate changes in the company to all the divisions in a proper way, they need to be efficient.*

- **Empowerment**

HR personnel should be empowered to be able to act independently and take decisions, rather than being influenced by the executive. This seem to be a common practice in state-owned enterprises where executives dominate the organisation. However, as experts, HR can be more effective if given the opportunity to perform their roles without any influence or fear.

**Participant number 12**

*They need to take decisions for themselves, no to wait for the CEO. They should be empowered, they should be more confident and not to be bullied.*

➤ **Visibility**

Divisional heads highlighted that HR professionals should be more present and visible at meetings for better understanding of staff issues. This shows that HR personnel do not attend the meetings of other divisions. It seems to be difficult for HR to attend technical divisional meetings where they may not be able to actively participate, unless it is a general meeting addressing employee concerns. However, there is need for more employee engagement platforms to allow employees to express their concerns.

**Participant number 16**

*HR people should be more visible in our divisional meetings for them to know and understand the issues that affects us in our divisions.*

➤ **Knowledgeable and skilled**

Data revealed that HR personnel must be very knowledgeable and understand the processes and procedures in the organisation. This response implies that HR

personnel lack knowledge of some of the company systems, which may be due to the nature of Mintek's operations, which are highly technical; the newness of HR people due to high labour turnover; and a lack of proper technology in their department.

#### **Participant number 12**

*They need to be trained so that they know what they should be doing.*

#### **Participant number 13**

*They don't have the ability to do anything.*

#### **5.14.1.2 Business partnering**

Data narratives revealed that HRM needs to move away from just being generalists and administrators and move towards becoming business partners.

##### **➤ Understanding business**

There is a need for HR to understand the business, its functions, staff roles and they themselves must integrate with the business. HR at Mintek is more into administration. One divisional head expressed much disappointment due to the lack of business understanding, as highlighted below.

#### **Participant number 1**

*It could be that if you have an HR person in each department can have other functions that is useful to the department as well, not just playing the HR role. Like business partner, that can allow them to understand business and be able to talk with the people. I think that could assist.*

*Because you can't talk my business, you can't understand until you emerge yourself into it.*

Lindström and Vanhala (2011) stated that to be efficient in delivering services in the public sector, HR professionals need to play a more strategic role.

##### **➤ Understand changes**

From the above sub-theme, once the business is understood, HR will be able to know the systems and processes and in turn be able to take the organisation through transition a lot better and easier. This signifies that due to a lack of business knowledge in HR professionals, internal organisational changes are not done effectively, hence the need for HR to be business partners.

## **Participant number 1**

*If there are changes in my department you will be able to know the systems in place, and processes in place for transition to take place easier. But you can't make the transition easier if you don't understand where I am coming from. You make think I am okay with it, but I might not be okay with it but until you come in seat here with me, you will understand how we operate.*

Kim and Ryu (2011) stated that when organisations respond to changes, HR people should build flexible organisations by developing systems that can be quickly adapted, linking with the organisation.

### **5.14.1.3 Employee Engagement**

Employee engagement is seen as important and therefore platforms must be created.

#### **➤ Union and forums**

Data narratives revealed that unions and forums can be good engagement platforms for employees. This is provided for in the sub-themes below.

- **Deal with issues**

One respondent indicated that unions and employee forums allow staff to be able to engage and deal with issues in a constructive way. This implies that the current engagement forum at Mintek called the 'red couch' is not properly used or it does not give employees enough time to express and exhaust all their concerns. Non-union forums are only supported by employees if they are perceived as fair by the employees.

## **Participant number 10**

*Unfortunately we cannot have direct recommendations to HR but the only way out is for workers to mobilise. They are many ways of mobilising such as forming a union or a wok based forum where we can sit down if we have issues.*

Ulrich's (1997) model of competitive advantage purported that HR is responsible for encouraging employee suggestions at organisational forums to solve employee grievances.

- **Approach management collectively**

As highlighted in the above theme, creating engagement forums allow for staff to then collectively approach management on any human resource-related issue, as indicated in the response below.

### **Participant number 10**

*Then we approach the management and say we think there is a violation of such matters and we are demanding that such be changed in an amicable way.*

#### **➤ Programmes**

Data narratives revealed that HR should hold more employee engagement programmes for them to hear staff concerns, and they should approach each section in the organisation. This seems to be supporting the visibility sub-theme above, which highlighted that HR should be present in divisional meetings to hear people's concerns. This also suggest that the 'red couch' platform does not give employees freedom to express their views. Employees seem to be free to provide their views on other platforms, such as divisional meetings other than the 'red couch'.

### **Participant number 4**

*Our HR department should do more employee engagement programs to be able to hear people concerns, actually they should visit all sections. I think they should talk to their leaders about the issue of support. There leaders should support them in all programs they wish to do.*

#### **➤ Committees and representatives**

Linking with the above, data narratives also revealed that there should be engagement via employee committees and representatives so that programmes can be customised to staff needs. This also implies that the current engagement programmes at Mintek are not addressing employee needs, hence the need to make use of employee committees and representatives.

### **Participant number 8**

*I can't think of anything that is very specific but like I always say in every situation engagement is key. You know sometimes, engagement through employee committees and employee representatives is required so that they can tailor make requisite programs that can have impact.*

Dundon and Gollan (2007) stated that the use of trade unions is no longer the dominant method of employee representation as techniques such as non-union councils, joint consultative committees and work teams are essential in employment relations.

#### **➤ Getting to know employee expectations and issues**

Data revealed that HR needs to play an active role in getting to know employee

expectations and issues. The organisation is big and diverse and requires time and effort in identifying with employees. This implies that the current engagement forums are inadequate at Mintek. HR needs to make use of other avenues highlighted in the data narratives, such as employee committees and representatives, trade unions and attending divisional meetings.

#### **Participant number 8**

*Some of the things that they do or the emails that they sent about information is very valuable but I would say further engagement is helpful. The idea is, if you want to tailor make a solution for a human being, a human being is very complex, you can't say this should be good for this person. You need to figure out what does this person want, what are the expectations of this individual. I am not saying the engagement that is currently there is insufficient but the more the better. This is what I can think of right now. Mintek is very big and diverse, so to meet some the individual needs can be very difficult.*

#### **Participant number 17**

*But it would also help to have engagement sessions that motivates staff to either voice out things before they become issues or also for management to then brief the staff where they would like to go as a company. You might get great ideas without even knowing.*

According to Grobler et al. (2012:3), for HR professionals to be successful, they should be reliable employee representatives in the management of employee concerns.

#### **5.14.1.4 Communication and advice**

Communication is very important and HR must improve on this in the following ways:

##### **➤ Policy and changes**

There is need for HR to communicate more on policy changes that occur in the organisation. This helps in avoiding staff from panicking due to not knowing what changes are coming to affect them.

#### **Participant number 16**

*Another issue, HR should always communicate to us new policy changes when they occur to avoid unnecessary mistakes.*

#### **Participant number 3**

*Again HR should be currently doing some strategies to assist people to cope with this current change. So far nothing has been communicated to the people that's is why there is too much panicking. We don't seem to see their role in this change.*

### ➤ Interaction

Data revealed that HR professionals should improve their interaction with employees to assist in resolving employee concerns. This involves engaging in various engagement platforms which include meeting people in their own divisions, as highlighted by the respondent below.

#### **Participant number 5**

*They must interact more with divisions to understand what happens there. They don't understand the challenges we face, they should know our challenges. They should do more divisional meetings they should have more structured interaction meetings, not to just come and talk to us.*

### ➤ Surveys

HR should conduct surveys on staff to gain insight into staff satisfaction and happiness at work.

#### **Participant number 3**

*Also HR should do employee morale survey and test our happiness as we spent most of our time here so work environment should be a place where people should be happy all the time.*

### **5.14.1.5 Training and teaching**

This theme indicated that there should be an improvement in training and teaching programmes in the organisation, as provided in the sub-themes below.

### ➤ Provision of suitable training for departments

Data narratives revealed that suitable and relevant training must be provided based on departmental requirements. This implies that the organisation is heavily affected by external changes which calls for new skills relevant to the organisation. The organisation seems to provide the same old programs that are not addressing the current situation. The following respondents confirmed the same:

#### **Participant number 12**

*Long back, the training programs that were provided were relevant, but now I haven't seen any relevant training program. Maybe it's due to unavailability of money.*

#### **Participant number 3**



*So I think they need to find the relevant programs that have an impact on what we need to do here, they should offer valuable programs that help people to do well and improve in their sections.*

Qiqi and Rava (2014) stated that organisational training is a feasible way of reducing the gap between employees and organisational needs.

#### ➤ **Personnel issues**

Furthermore, apart from relevant skills, staff also need to be coached on general work etiquette and requirements. This includes issues such as absenteeism, punctuality and alcoholism at work. This implies that employees are not closely monitored. There is need for line managers and HR personnel to manage these behaviours as they affect the company's productivity. However, data narratives revealed that Mintek is too generous on leave days, and issues of absenteeism seem to be awkward.

#### **Participant number 5**

*They should teach people about late coming, absenteeism and alcoholism, all these should be taught to employees. People should know how alcoholism and absenteeism affects other work colleagues and the business. The personnel issues should be dealt with for the benefit of everyone.*

#### **5.14.1.6 Promotion and recognition**

Rewards and remuneration are in dire need of improvement, at Mintek as highlighted in the following sub-themes.

#### ➤ **Career management plan**

HR must try and promote the growth and promotion of staff, especially once they have completed their studies. Therefore, HR must ensure that there is a career management plan to assist and retain staff, otherwise staff will leave if there is no progress. This signifies that Mintek is slowly becoming a training academy as in some instances employees do not see the value of their academic achievement due to the unavailability of promotional opportunities. However, trained people end up leaving Mintek with their skills and education to benefit other organisations.

#### **Participant number 6**

*Let me say this is a good place for studying. They fund education but you learn and get stuck with it. They only give a once off payment for achieving a qualification and only that cannot encourage people to learn. For example, a person achieved honours*

*degree from a B Tech and the divisional managers refused to promote that person when opportunity came. Our HR does not have a say to what divisional managers do, so people leave when they don't see opportunity for growth. I suggest that HR should have a clear and proper career management plan on how to assist trained people in order to retain them.*

➤ **Performance and recognition**

HR should make attractive incentives for good performance so employees will feel recognised for their work and efforts. This means that Mintek does not have many attractive benefits for employees who go an extra mile in their performance. This is related to low salaries that employees have described as unsatisfactory in the previous themes above.

**Participant number 15**

*They should try to make the incentive for good performance attractive for people to feel much recognised for their efforts.*

Sun et al. (2017) argued that from a psychology perspective, employee compensation has a huge impact on employee attitudes and behaviours in an organisation.

**5.14.1.7 Culture**

One respondent revealed that organisational culture needs to be improved on, as indicated below.

➤ **Culture of organisation**

HR needs to understand the culture of the organisation so they can align to it as without this, they will not be able to guide employees.

**Participant number 7**

*It's more of a cultural thing, the culture for HR in a company where the company has their own culture, HR needs to adjust to that culture very quickly and show people how to stay within the lines. But if you don't understand the company's culture how would you guide the people that do make mistakes. Its fine to say but the book says this, no company has to run on a book.*

**5.14.1.8 Improvement of internal processes**

Processes are in definite need of improvement according to the challenges that were evident in the challenges theme.

➤ **Streamline recruitment process**

Data narratives revealed that the recruitment process at Mintek must be shortened and streamlined to be able to attract good candidates. This seems to be a common challenge in most state-owned enterprises due to bureaucratic structures and technological challenges. However, there is a need for Mintek to start implementing electronic HRM in order to speed up recruitment processes. Internal policies were also highlighted as a major constraint in the recruitment process as they are not addressing current needs.

### **Participant number 13**

*They should shorten the recruitment process and take the person who is available. We are losing a lot of potential candidates due to long recruitment process, the process should be shortened.*

#### **➤ Technology**

As mentioned in other themes, technology remains a key intervention which must be invested in. This will help Mintek to be efficient, thereby creating a competitive advantage as they will be able to attract employees, reduce operating costs and provide quality services to their internal and external customers.

### **Participant number 3**

*Our department for HR needs to start making use of new technology in order to move on with time. This is a big company which needs quick and efficient services.*

Poisat and Mel (2017) argued that implementing electronic-HRM permits HR professionals to be active in participating as internal consultants and be able to provide value to the organisation, which improves its image.

#### **➤ Hierarchy improvement**

Data revealed that the organisational hierarchy must be re-evaluated and improved upon in order to promote faster response times. As highlighted in the above theme, this seems to be the nature of state-owned enterprises, which needs to be addressed at top executive level.

### **Participant number 9**

*They have to just improve the hierarchy in which approvals go through, they should just push it so that we don't always go back to HR asking for feedback. They need to do follow ups within the hierarchy like going to the next manager, going to the General*

*Manager so that you see the progress of it. The process itself, they could recommend how to change it.*

## **5.15 Conclusion**

Data analysis and discussion of the narratives in this study were obtained from the data that was collected through interviews, which originated from the research objectives as well as the literature review. The main purpose of this Chapter 5 was to present, analysis and interpret data that was gathered from the human resource professionals and divisional heads of the organisation. A Qualitative data analysis tool was used to extract information in the form of themes, as explained in the research methodology, Chapter 4.

## CHAPTER 6: CONCLUSION AND RECOMMENDATIONS

### 6.1 INTRODUCTION

The researcher utilizes this chapter to conclude this study by comparing the research objectives of the study with the findings generated in Chapter 5. This chapter also shows whether the objectives of this study were met. As indicated by Matthews and Ross (2010:425), the overall purpose of this chapter is to critically reflect on the research project and the contribution that it makes to the issue that has been investigated.

### 6.2. CONCLUSIONS

The purpose of the study was to examine the role of human resource management in creating a competitive advantage for a selected South African state-owned enterprise. The study used Mintek as a case study. This study used the objectives to determine the data that was gathered.

**Objective 1:** To identify the Human Resource Management roles in a South African state-owned enterprise.

**Objective 2:** To assess the effectiveness of Human Resource Management roles in improving organisational performance in a South African state-owned enterprise.

**Objective 3:** To identify the organisational benefits acquired by South African state-owned enterprises from Human Resource Management roles.

**Objective 4:** To examine the challenges faced by Human Resource Management practitioners in obtaining organisational competitiveness in a South African state-owned enterprise.

**Objective 5:** To establish a Human Resource Management framework that seeks to achieve competitive advantage in South African state-owned enterprises.

***Objective 1: To identify the Human Resource Management roles in a South African state-owned enterprise.***

This study established that the Human Resources department at Mintek performs basic human resources functions such as recruitment, administering remuneration and benefits, employee training, employee welfare and dispute resolution. These functions are supported by human resources roles which aim to provide a competitive advantage to the organisation. Data revealed that the HR department acts in the role of being an employee champion by ensuring that study incentives which support training function are properly administered. In being an employee champion, HR is involved in employee counselling and dispute resolution to create a peaceful working environment. The analysis of data indicated that the HR department plays a fair role of providing communication and advice to the employees and managers on matters pertaining to changes in policies and regulations. However, many respondents felt that HR does not play this role when it comes to major internal changes such as restructuring. This suggests that HR does not entirely play a change agent role as they are not included in such major changes, thereby limiting counselling and communication to the employees in this regard.

***Objective 2: To assess the effectiveness of Human Resource Management roles in improving organisational performance in the South African state-owned enterprise.***

The research established that HRM at Mintek is effective to a certain extent in improving organisational performance. There is no entire practice of HRM roles due to the lack of internal systems and support. Data revealed that HRM effectively participates in employee development, working together with line managers to ensure that the necessary skills are provided. Mintek is highly technical, but the HR professionals do not have knowledge and understanding of technical processes, hence they rely on line managers and they focus on soft skills such as project management and Microsoft Excel training. Employee development seems to have a fair impact on productivity and talent attraction as the research found that Mintek has a good number of PhD-holders, who are not easy to attract.

Respondents in the HR department indicated that training programmes at Mintek are done in accordance with the company vision and mission, which helps to support

organisational goals. However, HRM strives to bring young graduates to the organisation. The graduates are taught company systems and culture whilst shadowing their superiors. After training, the graduates are then employed as permanent employees which improves organisational performance as this creates employee loyalty. As custodian of employees, HRM ensures that recruitment processes at Mintek are properly aligned with government regulations in terms of equity to avoid litigation. The study further indicated that communication and advisory roles are evident from the HRM perspective. For the improvement of organisational performance, HR professionals pass on information relating to new laws and change of policies using company websites, meetings and presentations. This helps employees to be always aware of the direction the company is taking. In terms of the advisory role, each division at Mintek was assigned an HR representative who ensures that all human-related problems are quickly resolved. As labour experts, data revealed that HR professionals participate in policy reviews and advise the executive on current matters that HR should implement for competitive advantage. However, this role seems not to be entirely effective as there are complaints from HR people of policies being rigid and not addressing current needs.

The study established that although HR professionals participate to some extent on policy reviews at Mintek, they are not entirely involved in major changes such as restructuring. Data revealed that during the time of research, Mintek was in a process of restructuring which HR professionals did not participate in. However, data revealed that there were more complaints about the lack of information on what is happening regarding restructuring. This resulted in other employees resigning from their duties and caused more stress on remaining employees. HR professionals had nothing to communicate as they were also not aware of what was happening in this change process. It was revealed that change is being driven from the CEO's office.

Data revealed that response time to queries relating to employee records and personal challenges was poor. HR takes time to respond to employees' needs as there was evidence of a lack of technology in the HR department. This frustrated employees, thereby reducing their satisfaction levels. Furthermore, the lack of technology resulted in inefficiencies in the recruitment process since the company is using a manual system, which takes time to finalise appointments. The manual processes become too long, thereby causing Mintek to lose potential candidates. There was a limitation to the

full participation of HR people in their duties due to issues of fear and control from the higher executive. It was revealed that HR professionals do not have much say on many human resources matters and they fail to properly advise their superiors as they are always dictated to on what they should do. This is causing litigation in the organisation due to the lack of advice from HR experts.

***Objective 3: To identify the organisational benefits acquired by a South African state-owned enterprise from Human Resource Management roles.***

The study revealed the benefits that HR provides to the organisation and its people for competitive advantage. HR assists Mintek in obtaining qualified employees by working together with line managers. As a company that is highly technical in nature, HR professionals involve line managers in designing the specifications needed for various vacant positions in order to get candidates who match organisational needs. The study also established that the employee development role is quietly utilised by HR professionals, although issues of funds seems to limit the effectiveness of this activity. There is evidence of the outsourcing of training facilitators by the HR professionals at Mintek. This helps in providing the necessary skills to the employees at Mintek. On that note, there seems to be an effective administration of study bursaries for employees to do studies of their choice at no cost. Through this role, most employees at Mintek have achieved higher qualifications such as honours degrees, master's degrees and PhD qualifications. Communication seems to be a vital role played by HR professionals as they provide information relating to policy changes, internal training programmes and employee relations matters to divisions on various platforms such as websites and meetings. Data revealed that there is employee motivation, particularly on leave days. Mintek appears to be too generous on employee leave days, which seems to be comforting employees as there are complaints that salaries at Mintek are not competitive. In the reduction of company operating costs, HR professionals try to reduce employee turnover by monitoring employee motivation in their divisions. Data revealed that if there is high labour turnover in a specific division, there is a procedure of examining the cause of employee turnover for further actions to be implemented. It was also revealed that HR professionals provide qualified people who match the culture of the organisation through graduate development programmes. Graduates are taken to the organisation as trainees for 2 years of coaching and mentorship in order to understand Mintek's operating systems.



After training, graduate trainees are then offered a permanent job in the organisation as they would have mastered Mintek's operating procedures.

On the other hand, the study established that although there are benefits from HR initiatives, some HR roles do not benefit the organisation. Data revealed that technical divisions, due to complexities of their duties, hire independently without much involvement of HR professionals. This is because HR professionals seem not to have an understanding of many technical duties at Mintek. However, to some extent, divisional managers and heads rely on HR in the setting up of interviews. It was also revealed that HR professionals do not advise the executives on human resources matters due to fear of higher powers. One respondent highlighted that the company goes through litigation on issues to do with unfair labour practices. However, litigation costs the company when they lose cases at the CCMA. Furthermore, the executive seems to be dominating human resources decisions, which results in less control of HR people on employee matters.

Data revealed the comparison between Mintek and other organisations that are similar to its industry. The comparison was on the basis of benefits offered to employees. It was revealed that employees at Mintek described their salary benefits as low compared to what other companies are giving to their employees. Many respondents highlighted that the salaries at Mintek are low and only leave days were seen to be motivating since Mintek seems to provide more leave days than other companies. Furthermore, bursary schemes which Mintek provides to employees were also seen as a major benefit which seems to be lacking in other companies. In addition to benefits, many respondents indicated that canteen and clinic facilities are beneficial as they utilise such schemes when the need arises, which seems to be motivating employees at Mintek.

***Objective 4: To examine the challenges faced by Human Resource Management practitioners in obtaining organisational competitiveness in the South African state-owned enterprise.***

The study established the challenges that are faced by human resource professionals in creating a competitive advantage for the organisation. HR respondents highlighted that senior managers in other divisions have a tendency of dictating some tasks to HR people in carrying out their duties. Such senior managers tend to push HR people to

do things that are not in line with Mintek policies. However, this seems to be caused by always having new people in HR, who are regarded as juniors in the organisation. Furthermore, divisional managers appear not to be able to manage small human-related problems in their divisions since employees always report to HR on issues that can be solved by divisional managers. This is causing more pressure on HR professionals as they have other key responsibilities to focus on. Like in other organisations, data revealed that the HR department receives much blame from employees when things go wrong in the organisation. There appears to be the employee tendency of believing that the HR department is responsible for all company matters.

All HR respondents highlighted that they have a major challenge with the lack of technology in the department. Many processes in the HR department are done manually and this is causing recruitment processes to take long as there is a need to print CVs and the approval of appointments are signed manually by the relevant managers. This challenge is also linked with policies that are described as outdated by the HR respondents. Data revealed that old policies are also affecting the recruitment process as they tend to support bureaucracy, which results in delays as there are too many processes and levels which need to be consulted on employee appointments. This has caused HR people to fail to hire qualified candidates as some candidates lose hope and go to other companies since appointments with Mintek take more time. Furthermore, outdated policies seem to be restricting HR people in implementing current recruitment strategies, such as head-hunting.

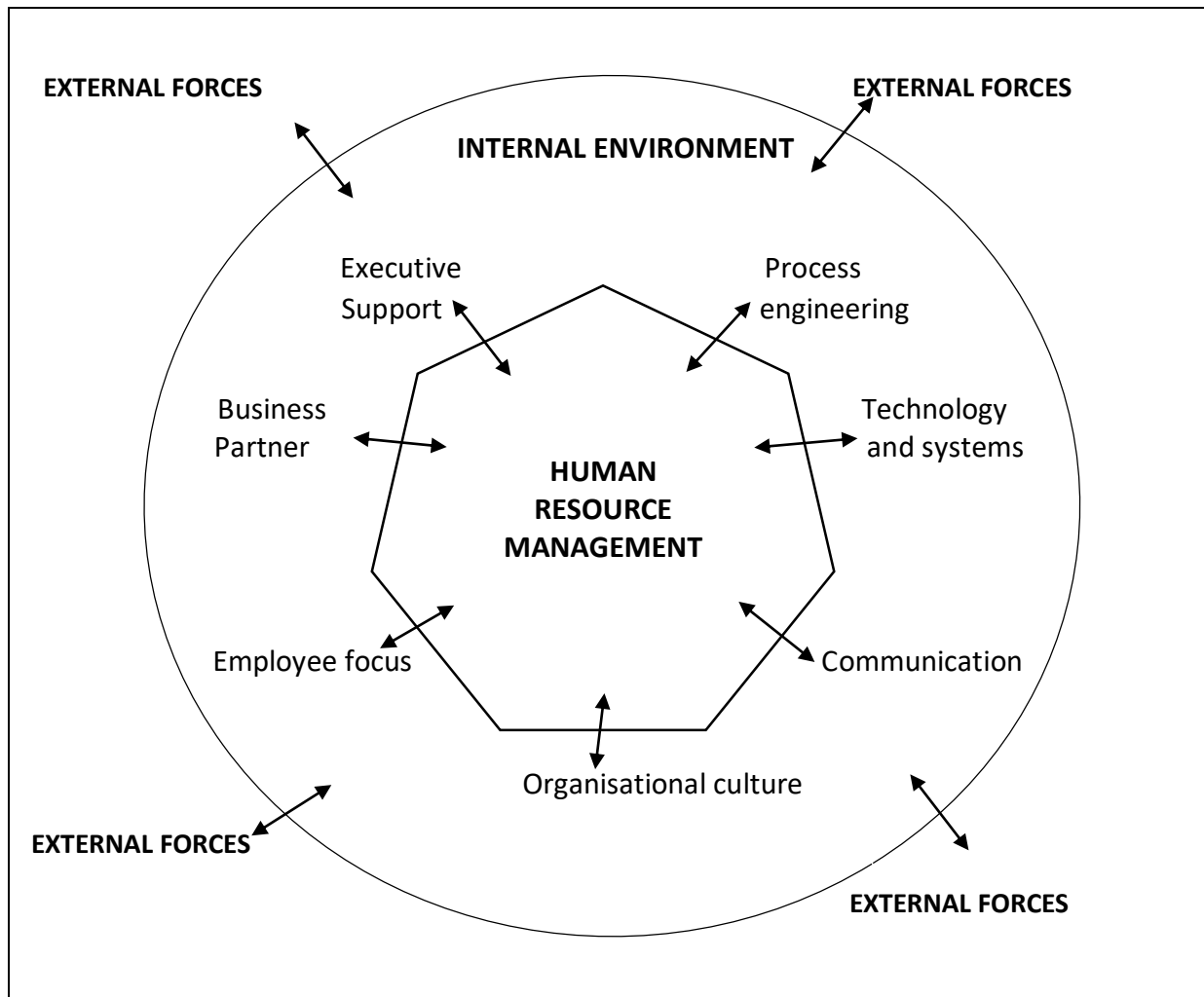
Data also established that the HR department is failing to attract skilled employees such as scientists and engineers in the organisation. This appears to be caused by uncompetitive salaries at Mintek. On employee training, data revealed that the HR department is failing to implement some expected training programmes as they cannot source facilitators. This seems to be caused by the unavailability of funds and scarcity of facilitators, resulting in the cancelling of other scheduled training programmes. There is high staff turnover in the HR department at Mintek, which has caused the department to be ineffective as there are reports of poor response times and a lack of skills in delivering HR services to the organisation. The probable cause thereof could be ascribed to new HR people who do not stay long in the organisation, as they leave before mastering Mintek operations. Another major challenge highlighted by HR

respondents is the lack of a business partnering role. HR people expressed much disappointment as they are only seen as administrators in the organisation. This limits them in effectively contributing to the business's strategic decisions pertaining to organisational competitiveness. The aforementioned may be the possible reason for the non-involvement of the HR people in the restructuring taking place at the time of this study. This resulted in HR people not being able to play their roles, such as counselling and support in the restructuring process, as some employees were resigning and feeling stressed as there was no information passed to employees regarding this change.

The responses in this study also revealed that HR professionals are operating with fear in executing their duties. One respondent strongly highlighted that HR people are always told what to do from the CEO's office. It was highlighted that this seems to be the reason why they cannot properly advise their executives on human-related matters. However, Mintek is a research council with many technical divisions and HR professionals as a support team seems not to understand systems and processes in other technical divisions. This limits their role when it comes to employee recruitment and training as they do not have much knowledge of the required employee skills.

***Objective 5: To establish a Human Resource Management framework that seeks to achieve a competitive advantage in South African state-owned enterprises.***

**Figure 8: The Human Resource Management framework for competitive advantage in South African state-owned enterprises.**



Source: Self-created by the researcher

The Human Resource Management framework for competitive advantage illustrates the contextual variables that can be used by state-owned enterprises in South Africa. The external environmental factors depicted in the framework are the peripheral environmental factors that affect State-owned enterprises in obtaining a competitive advantage. This framework can be used in creating a meaningful analysis of the external factors that may have a greater impact on the SOE's performance. HRM professionals can analyse each identified external factor to determine its effect in the organisation. Therefore, the framework provides a guide to HR professionals and policy-makers in SOEs on relevant external forces that can have an impact on

organisational competitiveness in South Africa. Thus, a focused analysis of the impact of external forces in obtaining organisational competitiveness assists HR professionals in SOEs to take cognisance of the effects of external forces on the organisation, as depicted by the arrows pointing to the internal organisation.

Users of the framework and the SOE's HR professionals can benefit from identifying the internal strategies that can be used to create a competitive organisation, as indicated by the seven two-way arrows. The framework can help in identifying the business partnering role that the HRM function has assumed for effective integration into the business, rather than just being an HR generalist. This helps HR professionals to make decisions that support the overall business goals for competitive advantage.

In making strategic decisions in SOEs, HR professionals need to have executive support from the top. This, in turn, can lead to an effective distribution of internal resources to the HR function in order to achieve competitive advantage. The framework further helps the HR professionals to identify the systems and technology that can be used in HR to improve efficiency and response time in providing services to the organisation. However, with executive support, HR professionals may be able to re-arrange processes and revise policies that hinder progress in achieving competitive advantage.

In devising strategies for competitive advantage, the framework depicts the identification of employees as key resources that cannot be ignored. Thus the use of competitive remuneration, employee retention strategies and internal promotion can be used as sources of competitive advantage as they can create citizenship behaviour and reduce labour turnover in SOEs in South Africa. Moreover, the framework can help HR professionals in understanding the organisational culture and be aware of mindset shifts that may hinder organisational competitiveness.

Finally, the framework depicts internal communication as a means of creating employee commitment. Thus continuous employee engagement and transparency are key elements in creating employee motivation for competitive advantage. The framework can help HR professionals to appreciate the effects of internal strategies and the external environment in obtaining organisational competitiveness.

### 6.3 RECOMMENDATIONS

The study provides the recommendations below based on the literature in Chapters 2, and 3, including the analysed information from Chapter 5 that was collected from participants.

- The Human Resources Department at Mintek should play an active business partnering role to effectively achieve organisational competitiveness. As explained in the literature review, for an organisation to be competitive, HR professionals should move away from an administrative role to a more strategic role. Conducting extensive Strategic HRM training to HR professionals can play a significant role in improving HR roles as well as organisational performance.
- In relation to the above recommendation, the HR department at Mintek should be empowered to effectively participate in company change decisions that affect employees, such as restructuring. HR professionals as experts in their field should be left alone to make people related decisions without influence of none HR executives. If Mintek does this, employees will feel comfortable during change initiatives as HR people will be able to communicate and support employees.
- If Mintek wants to attract talent and stay competitive, technological aspects such as electronic HRM (e-HRM) should be implemented in the HR department. This enables HR professionals to be quick and efficient in their duties, namely recruitment, records administration and employee training.
- Efforts should be made by the HR professionals to be more visible in company divisions through various engagement strategies. When other company departments contact their meetings, they sometimes need to invite HR professionals to assists with people related matters affecting them as employees. This enables HR professionals to hear employee concerns and quickly act on them.
- If the HR department at Mintek wants to be more active in the recruitment and training of technical employees, there is need to have special training which

provides them with a basic understanding of Mintek's technical operations. Senior technical personnel should be tasked to educate HR people about the basic and relevant aspects of various technical tasks conducted at Mintek.

- For employees to understand new company changes in terms of human resources policies and procedures, there is need to implement more awareness campaigns without relying mainly on meetings and websites. More workshops and seminars should be conducted in the organisation, allowing employees to freely ask questions and be given clarity on relevant policies.

#### **6.4 CONTRIBUTION OF THE STUDY AND FUTURE RESEARCH**

The Human Resource Management framework for competitive advantage suggested in this chapter, Figure 8, is original contribution which captures the importance of implementing effective HRM roles and strategies that allow the organisation to obtain a competitive advantage. The proposed HRM framework for competitive advantage may generate further debates as academics and industrial gurus analyse and adopt it in various organisations and situations which will generate further research.

#### **6.5 LIMITATIONS OF THE STUDY**

The study limitations were discussed in the research methodology in Chapter 4. However, it is important to emphasise that this study was based on a case study. Consequently, the findings of this study cannot be generalised but can be used to generate future debates and add a theory. The study adopted a qualitative approach to human resource management roles and challenges which used a relatively smaller sample size when compared to quantitative approaches. As a result of the smaller sample size in this qualitative study, the findings may not demonstratively represent HRM roles and challenges of the wide public sector enterprise.

The other limitation relates to the relevance of this study outside the South African context. Each country is normally affected by situational factors peculiar to its contexts. The environmental factors that affect state-owned enterprises in South Africa may be unique in many regards from a political, social and historical perspective. As such, the application of this study to an environment outside of South Africa may not be essentially pertinent.

## **6.6 CONCLUSION**

It would be very interesting to see how HR professionals and management of the organisation, as well as other state-owned enterprises facing the same predicament, react to the suggestions provided by this study, and how these findings will shape the HR and management attitude in the organisation. The theories such as the model of competitive advantage, Resource-Based View, Dynamic capabilities and so on as provided in Chapter 2 build a strong case for organisational competitiveness. The study showed that human resources aspects are a key factor which cannot be ignored in achieving organisational competitiveness.



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## Annexure A: Gate keeper's letter



Faculty of Management Sciences

Department of Human Resource Management

Date 18/06/2019

**To:**

Mintek  
Human Resources Management department  
No. 200 Malibongwe Drive,  
Strijdom Park,  
Randburg.

**RE: LETTER TO CONDUCT ACADEMIC RESEARCH AT MINTEK, FOR ARVID MUZANENHAMO: STUDENT NUMBER 21855663.**

My name is Arvid Muzanenhamo, student number 21855663; I am studying towards a PhD in Human Resource Management with Durban University of Technology. I wish to carry out my research in your organisation under the following topic: The role of Human Resource Management in creating competitive advantage for South African state-owned enterprises. The study will provide recommendations that seek to improve organisational competitiveness through Human Resource Management in South African state-owned enterprises.

Your support in this regard is highly appreciated.

Regards

Arvid Muzanenhamo

I, Thato Sultan  
position Head: OD, ~~HR~~ Training + Development, HRP  
have permitted Arvid Muzanenhamo to conduct his research with our organisation.  
Signature [Signature] Date 18/06/2019

## **Annexure B: Interview Guide**

### Interview guide for HRM Practitioners

1. What are the roles played by HRM department in achieving organisational competitiveness?
2. Do you think human resource department is playing its role in providing services to the organisation?
3. Considering the size of the organisation, do you think the HR department has the capacity to effectively manage the organisation?
4. Do you consider your HR department to be well equipped with expertise in managing the organisation?
5. Are there any benefits that accrue to the organisation from HR function?
6. What challenges are you facing in managing employees in your organisation?
7. Do you think these challenges apply to you alone? Why?
8. What is your level of participation in reviewing company policies and procedures?
9. How do you assess the effectiveness of the tools and resources you have in managing your organisation?
10. How do you ensure that relevant and adequate information about the job and the organisation is well provided to new employees?

### Interview guide for departmental heads

1. What does the HRM department do in your organisation?
2. Do you think the current HRM practices benefits you as an individual? Explain your answer.
3. Do you consider your HR department to be well equipped with knowledge to effectively manage the organisation?
4. Would you say there is high employee morale in your organisation? Explain your answer.
5. Provide any HRM challenges that inhibit its positive contribution to the organisation as a whole.
6. What do you think HR department should do to improve the performance of employees?
7. Do you feel that the benefits you receive in your organisation are similar to what other organisations in your industry provide to their employees?
8. How would you describe your working relationship with the human resources department?
9. Do you think the training programs organised are always relevant to the changing needs of your jobs and the organisation? Explain your answer.
10. What role do you play in providing relevant and adequate information about the organisation and the job to new employees?



**MANAGEMENT SCIENCES: FACULTY RESEARCH ETHICS COMMITTEE (FREC)**

02 October 2019

Student Name: **Mr A Muzanenhamo**

Student No: **21855663**

FREC REF: 59/19FREC

Dear **Mr A Muzanenhamo**

DOCTOR OF PHILOSOPHY: HUMAN RESOURCES MANAGEMENT

**TITLE: THE ROLE OF HUMSN RESOURCE MANAGEMENT IN CREATING COMPETITIVE ADVANTAGE FOR A SELECTED SOUTH AFRICAN STATE-OWNED ENTERPRISE.**

Please be advised that the FREC Committee has reviewed your proposal and the following decision was made: **Approved – Ethics Level 2**

**Date of FRC Approval: 18 September 2019**

Approval has been granted for a period of two years from the above FRC date, after which you are required to apply for safety monitoring and annual recertification. Please use the form located at the Faculty. This form must be submitted to the FREC at least 3 months before the ethics approval for the study expires.

Any adverse events [serious or minor] which occur in connection with this study and/or which may alter its ethical consideration must be reported to the FREC according to the FREC SOP's.

Please note that ANY amendments in the approved proposal require the approval of the FREC as outlined in the FREC SOP's.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'JP Govender', is positioned above a horizontal line.

Prof JP Govender

Chairperson: Faculty Research Ethics Committee