

## Module 3 – Aspects of strategic HRM

### Objectives

On successful completion of this module, you should be able to:

- the relationship between organisational design and structure, and SHRM
- the connections between organisational culture and SHRM
- challenges related to staffing an organisation strategically
- aspects of performance management, reward for performance and human resource development from an SHRM perspective
- the interplay between business internationalisation, diversity management and SHRM
- SHRM perspectives on downsizing as a strategic option.

### Learning resources

#### Text

Millmore, M, Lewis, P, Saunders, M, Thornhill, A & Morrow, T 2007, *Strategic human resource management*.

#### Selected readings

**Reading 3.1:** Godard, J 2004, 'A critical assessment of high-performance paradigm', *British Journal of Industrial Relations*, vol. 42, no. 2, pp. 349–78.

**Reading 3.2:** Holley, D 2009, 'Redundancy roller-coaster', *Management Today*, July, pp. 40–1.

**Reading 3.3:** *Management Today* 2009, 'Innovation in a downturn', July, pp. 24–5.

**Reading 3.4:** Buller, PF & McEvoy, GM 2012, 'Strategy, human resource management and performance: Sharpening line of sight,' *Human Resource Management Review*, vol. 22, pp.43-56.

### 3.1 Organisational structure and design and SHRM

An aspect that is central to the management of human resources but which is not often covered by HRM courses or books, relates to how the organisation is designed and structured overall. It is well acknowledged that there is a constant interplay between the structural configurations of an organisation and its strategic choices and options. According to Johnson and Scholes (2002, p. 420) the **configuration** of an organisation refers to the structures, processes, relationships and boundaries through which the organisation intends to (and indeed does) execute its strategies and achieve its mission, goals and objectives. Various options need to be considered in respect of how to organise and design the configuration of the organisation. Much of this revolves around the work of an organisation and the interplay between the people, the technology and the general business and value-adding processes of the organisation. Key considerations here relate to where (and by whom) which decisions are made, and how the work and value-adding processes will be distributed throughout the organisation and also therefore amongst employees. Johnson & Scholes (2002, p. 419) say it is quite likely that ‘the most important resource of an organisation is its **people**. So the roles they play, how they play, how they interact through formal and informal processes and the relationships they build are crucial to the success of strategy.’ This then clearly asks for choices about how to organise or structure the work, the workflow processes and the people that have to do all of the work. Davidson and Griffin (2003, p. 346) in this regard define organising as ‘deciding how best to group organisational activities and resources ... the structure of an organisation comprises all the arrangements put in place to divide up work ... to ensure that efforts are coordinated ...’. After all, the all the work activities that have to be carried out in order to achieve an organisation’s objectives will have to be allocated to people. There are many ways in which these tasks and roles can be structured, and the relationships between these work roles and the people concerned organised. Structuring the work and the relationships and interactions between the technical systems and the people (the socio-technical systems), as well as between the people themselves (that is, structuring the flow of work), form important building blocks of organisations. Individual jobs cannot therefore be viewed in isolation. Neither can jobs be designed in isolation.

Each employee is supposed to perform certain activities to achieve something (work outputs), which have certain consequences for the organisation as a whole. In order to be able to do the work, however, employees need certain things, which form the inputs into the work system (for example material, equipment, resources and specifications). One of the most fundamental inputs relates to the technical systems of the organisation – the technology used. The interaction between employees and technology thus forms an important consideration in the context of designing the work of organisations. The outputs of certain employees eventually form the inputs of other employees. The specific requirements of the next employee in terms of work to be done in the value-adding chain of workflows up to the point of delivering the products and services should thus form one of the main inputs into the process of designing work. In this sense the totality of work has its origin in the requirements of those who want to buy or use the organisation’s outputs (products/services) – in other words, the customer. Through the work executed by each employee, value is supposed to be added at each point in the work-flow process. Work is thus structured into a complex system of interconnected value-adding steps from the point of the customer (who essentially initiates the need for work to be performed), to the point where the customer’s needs are satisfied through appropriate, need-satisfying products/services. It is important to create the necessary fit at various levels – a fit between the technology and the job, between employee and the job or position, between the different jobs or positions, between different groups of jobs, between the organisation and the outside world, and so forth. The end result ought to be efficient and effective work operations that facilitate the achievement of the organisation’s objectives through high

performing, satisfied employees, with due consideration for the impact of all of this on all relevant stakeholders, including the physical environment.

There is a well-known notion in management literature that ‘structure follows strategy’. Although the real world of organisational life is not always so neat that one can say this is always the case, and because there are so many complexities involved, it is perhaps safer to say that structural configurations and strategy of organisations are very closely intertwined. Structuring or designing the flow of work in organisations also involves choices about overall organisation design.

Although these choices have major implications for the way the work of an organisation is organised, these choices are quite removed from the employees as such, since it revolves around the way the organisation as a whole is structured. However, these kinds of choices and decisions have implications for reporting lines and for the way that employment relationships, workflow processes, and relationships between the employees are structured or designed.

There are certain basic structural variables that are relevant to organisational design. These include:

- **Structural managerial configuration:** This relates to the nature and form of the role structures within the organisation. It thus involves aspects such as the number of levels in the hierarchy, the horizontal and vertical span of control and so on.
- **Formalisation:** This has to do with the extent to which use is made of formally documented procedures, policy manuals, job descriptions and so on.
- **Standardisation:** This is linked to formalisation in a certain sense. It relates to the degree to which activities or work processes have to be executed in a uniform manner. Reliance on aspects like rules and regulations is therefore relevant. In the case of high standardisation there is little scope for discretion.
- **Specialisation:** This has to do with the extent to which specific functions and tasks are identified and earmarked for one specific individual or group to execute.
- **Centralisation:** This relates to the extent to which the power and authority to make decisions is delegated throughout the various levels of the organisational hierarchy.

All of these variables hold very real implications for how the work of individual employees (as well as groups) will be organised or designed. So to do these variables make up the key building blocks of the different types of organisational designs that may be chosen from.



### Reading activity 3.1

You should now read chapter 5 of Millmore et al. (2007).

Take note that three perspectives are considered to unravel the relationship between the design of organisational structure and the general strategic ‘effectiveness’ or ‘performance’ of the organisation. These are referred to in the textbook as the ‘classical universal’, the ‘contingency’ and the ‘consistency’ approaches to organisational design and structure. The chapter also reviews some key forms of organisational structure. The implications of each of these for the people who work within them are also assessed. The following types of organisational design are covered: simple; functional; divisionalised; matrix; project-based; network, cellular and virtual. Millmore et al. (2007) reckon that there seems to be a move

from centralised and bureaucratic structures to more decentralised and more fluid design types. Millmore et al. (2007) also stress the importance of ensuring that human resource strategies are aligned with the chosen organisational structure or design type. In addition they point out that the choices in respect of organisational structure or design type can lead to some problematic relationships between things like managerial control, organisational efficiency and responsiveness to external conditions and market dynamics.

We return to the issue of organisational structure in the last section of this module, as well as again in the next module when we make relevant connections between organisational structure and innovation.

## 3.2 Culture and SHRM

Culture, according to Millmore et al. (2007), consists of shared attitudes, beliefs, values and behaviours that belong to and have been learned by a group and, because they are considered to be valid, have been internalized and are taken for granted. An understanding of culture and the interactions between different spheres of culture such as national and organisational, can assist in the selection and application of effective HRM interventions and the hierarchies in which they are placed. At the same time, SHRM interventions can influence the culture within organisations.

In chapter 6 Millmore et al. go from general to specific – starting by reflecting on different meanings of culture and exploring different typologies of cultures from the angle of national levels. They then go on to examine frameworks for understanding ‘organisational culture’. They consider the implications of different cultures for different aspects of SHRM – which they refer to as ‘interventions’. They argue that an organisation’s culture is an objective phenomenon which can be found in any organisation. As such they argue that an organisation’s culture can be identified and it can be, at least theoretically, actively managed and manipulated to achieve alignment with an organisation’s strategic direction. To this end they offer an analysis of a variety of ways in which this might be achieved and how this connects with SHRM and the contributions that are locked up herein. It should be noted that in the ‘real world’ this is indeed a very complex challenge that requires carefully planned and designed interventions. It is also important to keep in mind that any typologies such as those covered by Millmore et al. (2007), are generalisations and simplifications of complex and varied ‘realities’.



### Reading activity 3.2

You should now read chapter 6 of Millmore et al. (2007). Engage in the self-check and reflect activities.

We return to the issue of organisational culture in the next module – when we specifically make connections between organisational culture and innovation in organisations.

### 3.3 Staffing the organisation: some strategic challenges related to sourcing work talent

Making sure that the organisation has the people to do the required work generally starts off with processes of staffing the organisation. Some refer hereto as ‘human resourcing’. These processes entail some planning and preparatory work as well as the active efforts to find and engage competent people to work for the organisation. Millmore et al. cover these in chapters 7 and 8. They refer to these processes as strategic human resource planning and ‘strategic recruitment and selection’.

Human resource planning (also referred to as HRP in short in the textbook) is sometimes used as the concept that reflects all the formal processes aimed at planning to ensure that an organisation’s human resources capability is aligned with its strategic direction and objectives. Some limit it more to reflect forecasting the future demand for and supply of labour and drawing up ‘HR plans’ to bring about the appropriate match between demand and supply. In some sense it seems Millmore et al. (2007) conflate these somehow – and use the notion of SHRP. They do point out however, certain differences to what another author argues are ‘human resource planning’ and ‘human resource forecasting’. This may be quite confusing – especially when the concept of forecasting is also used in relation to supply and demand (see table 7.2 on page 243 for example). Without going to much further into this here (we can do more of this on the electronic discussions platform for instance) – we’d just like to share a somehow different perspective in this regard first.

In Swanepoel et al. (2008) a distinction is made between making strategic HRM choices and decisions (strategic planning for HRM) – and what they term ‘workforce planning’. Swanepoel et al. (2008, p. 227) explain that ‘it is necessary to decide, first of all, which work we regard as part of the core of the organisation’s operations, and hence to be more likely to be performed by employees, and which we regard as being more peripheral that might rather be executed by other means, like subcontracting’. They (Swanepoel et al. 2008, pp. 227–8) continue as follows:

*We thus need to plan what kinds of positions we will need, what types and numbers of people with what kinds of competencies will be required to ensure the successful operation of the organisation, and which of these will or will not become part of our organisation's staff establishment.*

*When we consider these types of issues we have basically already embarked on the management process known as workforce planning. Some refer to this as human resource planning. We prefer the concept workforce planning because in this way we can differentiate it from strategic planning and decisions pertaining to HRM strategy ... In practice all of these preparatory decisions and issues are intertwined. For example, as we have to engage in making strategic decisions about how we would like to manage our human resources generically speaking, we have to consider design issues such as core versus non-core work. As mentioned before, we might have a different approach to the core employees compared to non-core workers. When it comes to planning the workforce requirements, naturally the same issues are relevant: what constitutes our core workforce of employees? ... We regard workforce planning as a systematic, yet dynamic process of estimating the future demand for and supply of employees to execute the organisation's work in ways that will best support its strategic direction, and deciding how to align and match them. We thus work from the assumption here, purely for conceptual purposes, that we have already decided about what the core workforce of the organisation will be – our core work and staff/employees as well as the support work and groups of employees who*

*will be engaged for that purpose. The focus in workforce planning is on the employees we might need. Practically speaking, things are not so clear-cut and neatly boxed. As we plan what work needs to be covered by our staff, it might well turn out that we decide some of the work demand or needs may be more temporary or less strategically valuable – and hence we might shift to consider alternative ways of trying to match the demand and supply. The starting point is to purposefully consider what work is required to be done in order to move the organisation in the strategic direction decided upon ... Workforce planning thus uses information and knowledge about the work needs of the organisation as translated from the business needs.*

Millmore et al. (2007), as you'll find – follow a different approach and argue that HRP, if done strategically, becomes the vital link between organisation strategies and the HR strategies of the organisation. As such it is then argued that it is basically the bridging mechanism fulfilling the following three vital roles: aligning HR plans to organisational strategies to further their achievement; uncovering HR issues that can threaten the viability of organisational strategies and thereby lead to their reformulation; and acting in a reciprocal relationship with organisational strategies such that HR issues become a central input into the strategy formation process.



### Reading activity 3.3

You should now read chapter 7 of Millmore et al. (2007). Engage in the self-check and reflect questions – and apply some critical thinking.

Take note of the numerous difficulties that are mentioned regarding the practise of HRP that may thwart its potential to serve as the link between organisational strategy and SHRM practice. Does your organisation engage in practising HRP? How effective is HRP practice in your organisation if present?

Millmore et al. (2007) points to a paradox where the more the complexities of organisational life warrant the establishment of HRP as the vital link, the more these complexities seem to be likely to cause HRP to be cast aside to become the missing/weakest link. They also share some avenues for confronting operational difficulties and to make HRP the pivotal bridging mechanism between organisational strategy and SHRM. Can you identify and discuss these? For instance: raising the profile of HR issues generally and the status and credibility of HR practitioners particularly. If, as we say HRM is not the domain of the HR specialists – but ever manager's work – what are your views in this regard?

Millmore et al. (2007) draw on the work of Schuler and Jackson (1987) to show how HRP can be the bridge that links various competitive strategies with certain HRM practices. It is argued that to identify and develop HR practices relevant to different organisational strategies requires a deliberate planning intervention, that is, HRP. They also point out though that such a 'one-way, top-down' strategic relationship between corporate and HRM strategies is only one of a number of different types of strategic fit. Planning suggests a degree of certainty that is largely unrealistic in today's volatile business climate. Therefore to be useful HRP processes have to be shaped so that they can accommodate planned and unplanned change over different time horizons.



Apart from the planning or preparatory side of ‘human resourcing’ – there is the issue of actually finding the employees and getting them employed. In chapter 8 Millmore et al. (2007) cover this topic. They use a model of ‘strategic recruitment and selection’ that is built around three key aspects: strategic integration; a long-term perspective; and the use of HRP as a bridging mechanism between strategy and HR practice. They argue that despite uncertainties surrounding strategy implementation and the business environment as it unfolds over time, recruitment and selection practice can be shaped to support long-term changes in strategic direction. They also point out that strategic recruitment and selection has potentially to be aligned with multiple interpretations of strategy if it is to satisfy its strategic credentials. It is also pinpointed that despite a good rationale to the contrary, organisational approaches to recruitment and selection practice appear to be dominated by traditional, non-strategic approaches, hence making it arguably another aspect of HRM where the rhetoric runs ahead of what we find in the real world.

It is back to doing some reading again now.



### Reading activity 3.4

You should now read chapter 8 of Millmore et al. (2007). Again, please consider engaging in the self-check and reflect questions. Also – do not neglect applying some critical thinking.

## 3.4 Managing and rewarding performance, and strategic human resource development

Once people are employed – they have to do the work they have been employed for, and the aim would be to get them to perform as well as possible in the work environment. Performance management can be regarded as a non-time specific ongoing process that involves the planning, managing, reviewing, rewarding and development of individual and group performance (Fitzpatrick, Fujimoto, Härtel and Strybosch 2007, p. 342).

According to your prescribed book, the concept of ‘performance management’ is an ‘umbrella term’ that captures the wide range of activities, practices and processes, including performance appraisal – all aimed at enhancing organisational performance. From module 2 you know that ‘performance’ and ‘organisational performance’ are complex and multi-dimensional issues. Ideally performance management should flow down from the organisation’s strategy through horizontal and vertical integration as part of a concerted effort to generate change through the organisation’s ‘high performance’ HR strategy – as explained in the prescribed book. Millmore et al. (2007) say that among the reasons for the growth in importance of performance management, are the desire to enhance organisational effectiveness (we can efficiency and sustainability as well). Another reason offered is the dissatisfaction with the traditional narrow focus on ‘performance appraisal’. It is time to do some reading now.



### Reading activity 3.5

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You should now read chapter 9 of Millmore et al. (2007). Again, please consider engaging in the self-check and reflect questions. Take note that they argue that some of the major conceptual flaws in performance management thinking are the potential preoccupation with management control, the assumed compliance of employees and the dangers of prescribing a particular model of performance management without paying due regard to the organisation's context.

As we always encourage – do not neglect applying some critical thinking. To help with this you should now read **selected reading 3.1**, 'A critical assessment of the high-performance paradigm', by John Godard (2004), and published in the highly regarded *British Journal of Industrial Relations*.

Also pay careful attention to the performance management systems model covered in the book, which includes inputs such as external and internal contexts and employee skills, processes including setting objectives and 360-degree appraisal; HR outputs such as performance improvement plans and pay awards. The latter is very important and Millmore et al. (2007) devote a separate chapter to 'strategic reward management'. We now turn to the issue of pay reward about which you can learn in greater detail.



### Reading activity 3.6

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You should now read chapter 11 in Millmore et al. (2007). Engage in the self-check and reflect activities.

Part and parcel of the challenge to manage and enhance the work performance of staff – is to develop their potential and capabilities. Millmore et al. (2007) say that there is a lot of literature available on the topic of SHRD (strategic human resource development). They argue that there is a particular emphasis on strategic integration, the centrality of learning and a learning culture to SHRD and multi-stakeholder responsibilities and involvement. Take note, when you read the relevant chapter in the prescribed textbook, that the critical role to be played by line managers in facilitating learning and development, is stressed.



### Reading activity 3.7

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You should now read chapter 12 in Millmore et al. (2007). Please engage in the self-check and reflect activities.

You will note that an important feature of the chapter is the authors' attention to the traditional systematic cycle of HRD as well its strategic potential. They argue that this strategic potential is often overlooked in the SHRD literature and they thus attempt to show that irrespective of how HRD is portrayed – it is possible to give it a strategic focus. You'll pick up that throughout chapter 10, the authors try to explore various degrees of 'strategic focus' (or 'integration') in respect of HRD efforts. In this regard you will probably find the use of their conceptual model of strategic maturity that develop along the lines of a continuum, quite useful.

We now turn to focus on a few other aspects pertaining to SHRM.



### 3.5 Business internationalisation and SHRM, and diversity management

The pace of globalisation has picked up considerably over the last few decades in particular. In this regard the following explanation offered by Cooke (2007, pp. 489–90) may serve as a potentially useful introduction to ‘set the scene’ for this theme:

*The growth and spread of multinational companies around the world over the last two to three decades has been nothing short of extraordinary. Indeed, since 1980 there has been a nearly twelve-fold increase in foreign direct investment (FDI) and a greater than eight fold increase in the number of multinational companies (MNCs). As of 2004 there were over 61,000 MNCs with ownership in over 900,000 foreign affiliated operations worldwide. These foreign affiliates alone employed more than 54 million employers, managed over \$US 31 trillion in assets, generated over \$US 17 trillion in sales, and accounted for roughly 33 percent of worldwide exports and 10 percent of gross domestic product ... The ever expanding reach of MNCs in an increasingly competitive and uncertain global market place puts the multinational enterprise at the center of a widening public debate and scrutiny regarding the impact of MNCs on the global economy, on the well-being of workers and communities across the globe, and on the earth's natural resources and environment. This broader and heated debate notwithstanding, the continual expansion of multi-national operations undoubtedly raises a host of questions about the critical role of managing human resources across borders.*

*... Although the overall objectives of formulating and implementing HR strategies as described throughout this volume are the same for national and multinational companies, global HR strategies must take into account factors germane to direct investments made abroad and the management of cross-border operations. At question herein, therefore, is: What factors or considerations are unique to companies operating across borders and what are the implications of these factors in regard to the successful development and deployment of global HR strategies?*

*The existing literature in regard to global HR strategies can be characterized as being in an early stage of development.*

(Source: Cooke, WN 2007, ‘Multinational companies and global human resource strategy’, chapter 24 in P Boxall, J Purcell & P Wright (eds), *The Oxford handbook of human resource management*, Oxford University Press, UK, pp. 489–91.)

Even though Cooke (2007) is quite right about the early stage of development about this theme – the prescribed book contains a very useful chapter on international HRM.



#### Reading activity 3.8

You should now read chapter 3 in Millmore et al. (2007). Please engage in the self-check and reflect activities.

The authors of the textbook start off with a general introduction to the internationalisation of business – why organisations engage herein and the main methods of doing so. The main focus of the chapter, as you’ll learn – is what they term ‘SIHRM’. A conceptual model is used to examine what strategic international human resource management is about. The model used reflects the classic MNC components and factors relevant to the MNC’s external and internal operating environments influence the SIHRM issues, functions and policies and practices, which in turn affect the concerns and goals of the MNC.

You will note that the chapter concludes with a section that revolves around culture – as they emphasise that the more organisations do business internationally, the more important becomes the issue of cultural diversity. Millmore et al. (2007) stress that national cultural differences are indeed an important aspect of SIHRM and that these have been researched by a number of scholars. You’ll learn that there are various strategies for managing cultural differences, including ignoring these, trying to minimise these, and actually embracing and capitalising on them. This is where diversity management becomes important.

The issue of diversity management is so important nowadays (even beyond the context of MNCs of course) – that we would now like to focus in a bit more detail on this theme. You are now thus to read another chapter in Millmore et al. (2007).



### Reading activity 3.9

You should now read chapter 13 in Millmore et al. (2007). Please engage in the self-check and reflect activities.

You will note that the textbook clearly acknowledges that diversity management is also approached a legislative and compliance point of view. This is also referred to as the equal opportunities approach, which has as focus the ‘equality of status, opportunities and rights’. It is doubtful whether we can really term such an approach as ‘diversity management’ from our perspective. What are your views in this regard? Why not engage in some discussions about this on the electronic discussions platform?

The ‘real’ diversity management, we believe, is the one that revolves around an explicit holistic strategy of valuing the wide range of differences brought into any organisation, including things like age, gender, social background, national culture and ethnicity, and disability. This, as argued also by Millmore et al. (2007), is more aligned with a strategic approach and hence with SHRM – because it is driven by organisational needs.

In the book it is said that the business case claimed for following such a diversity management approach includes aspects like better reputation and public image for the organisation, a more satisfying work environment for all staff, better employee relations, enhanced work satisfaction related positive attitudes. These things, it is argued, should improve productivity and organisational competitiveness. Millmore et al. thus put forward the argument that organisations will only survive and prosper in an increasingly competitive and dynamic global environment, if they respond to the heterogeneity of their markets – including their labour markets. Note however, that they acknowledge that there is limited empirical evidence to support these arguments in countries like the UK or the USA. ‘What about other countries like Australia, Singapore and even South Africa?’ – you may rightly wonder. Feel free to engage in some healthy debate about these on the electronic discussions platform. Also – please take note that there seems to be a very strong argument that creativity and innovation can be enhanced through tapping constructively into diversity.

To conclude this module we now turn to a completely different, and in a sense a much less ‘positive’ aspect related to strategy and HRM – namely that of ‘downsizing’ or ‘workforce reduction’.

### 3.6 Downsizing as strategic option: SHRM perspectives

You will recall that in the first module you were introduced to various strategic options that are open to organisations to choose from. There were the generic strategy options of Porter, the three options of Miles and Snow, as well as the three that were used by Schuler and Jackson (see table 2.3 again on page 55 of Millmore et al.). Cost-focused strategies are thus clear options (like cost reduction and ‘low-cost’ strategies). We also mentioned the grand strategy options of Pearce and Robinson in module 1. We quoted from Swanepoel et al. (2008, p. 140) who summarised the following two options in the cost-focused category, and we repeat that here: ‘*Divestiture* revolves around selling off parts of the organisation while *turnaround* strategies typically entail scaling down for a period (cost and/or asset reduction typically) in order to recover and rebuild.’

Downsizing is thus a strategic option that becomes particularly relevant in any of these cost-driven strategies. No doubt most of us would have become all too aware of the implementation of these kinds of strategies over the past few years (most notably through 2008 and 2009) – due to the ‘global financial crisis’. It is thus perhaps opportune to now read a bit more about some challenges pertaining to downsizing as strategic option and the various HRM implications.



#### Reading activity 3.10

You should now read chapter 14 in Millmore et al. (2007). Please engage in the self-check and reflect activities.

You’ll find that Millmore et al. (2007) regard downsizing is an organisational strategy to reduce the size of an organisation’s workforce. They argue that the use of this strategy is likely to generate a range of reactions from those who remain in an organisation – which may lead to negative outcomes for the organisation. Naturally – this strategy also has potentially disastrous consequences for those unfortunate people who will then be losing their work!

Take note of the three organisational strategies that are identified to achieve downsizing, namely workforce reduction, organisation redesign, and the ‘systemic change’. They also make a distinction between the use of proactive and reactive approaches to downsizing, arguing that the reactive approach has been found to impair, rather than enhance, organisational performance.

Millmore et al. (2007) make it clear that in reality the process of downsizing is very complex and challenging – and that the reactions of people thereto can often undermine the strategic objectives for downsizing. They thus explore such reactions and their potential consequences for organisations that are considering this as an option. They furthermore argue that the successful use of downsizing requires the implementation of and integration with other human resource strategies discussed in their book. According to them, through doing this – the possible negative reactions to downsizing can be limited. Take note of the emphasis placed on human aspects of downsizing to try and minimize any possible negative spin-offs.

No doubt – there is scope for injecting some creative ideas pertaining to the whole issue of dealing with working people under conditions of economic or financial strain – and for coming up with some innovative approaches and solutions. During times of economic downturn and turmoil there may also be scope for some innovation. It may be worthwhile to engage in some discussions about this on the electronic discussions platform. Let's engage in some final reading as part of this module.



### Reading activity 3.11

You should now read **selected reading 3.1** ('Redundancy roller-coaster') by Holley and **selected reading 3.3**, 'Innovation in a downturn'. These are not 'heavy academic' articles – but they should do well in rounding off this module. **Selected reading 3.4** by Buller and McEvoy (2012) is highly regarded as a way to align the various aspect of strategic HRM we have discussed above. This article can be used as summary of the key issues. For instance, the authors discuss the line of sight as the alignment of organizational capabilities and culture, group competencies and norms, and individual KSAs, motivation and with the organization' strategy.

## Conclusion

In this module we have considered various perspectives, issues and challenges related to strategic human resource management. Some of these more structural perspectives have been important to set in place in this module, as they form the building blocks upon which rest some of the specific innovation perspectives to be presented in module 4.

It is essentially a review of some of the mainstream roles and functions of organisational form and structure, the alignment of job design and HR strategy with organisational purposes and the adopted stances by managers and organisational systems of employment relationships that form key building blocks for organising and realising innovative processes. In the next module the focus shifts more specifically to challenges related to building innovation in organisations.

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